

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 120

January 10, 2019

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 120 (the "District"), met in regular session, open to the public, on the 10th day of January 2019, outside the boundaries of the District at the offices of LJA Engineering, Inc., 2929 Briarpark Drive, Suite 600, Houston, Texas, and the roll was called of the members of the Board:

Gary Gassmann	President/Treasurer/Investment Officer
Frances Browning	Vice President
William J. Hammer	Secretary
Sylvia Marinez	Assistant Secretary
Tracy L. Jones	Assistant Vice President

and all of said persons were present, thus constituting a quorum.

Also present at the meeting were Kathy Cruthirds of Tax Tech, Inc. ("Tax Tech"); Mary Ann Mihills of Municipal Accounts & Consulting, L.P. ("MAC"); David Rivera and Patrick Newton of LJA Engineering, Inc. ("LJA"); Cathy Falke and Greg Camp of Environmental Development Partners, LLC ("EDP"); Ryan Fortner of Sales Revenue, Inc. ("SRI"); and Christina Miller and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 4, 2018, and the December 10, 2018, special meetings and the December 6, 2018, regular meeting. After review and discussion, Director Browning moved to approve the minutes of the December 4, 2018, and the December 10, 2018, special meetings and the December 6, 2018, regular meeting as submitted. Director Marinez seconded the motion, which passed unanimously.

PUBLIC COMMENTS

There were no comments from the public.

ATTORNEY'S REPORT

The Board reviewed the Action List Status Chart, a copy of which is attached.

Ms. Miller gave an update on an Alternative Water Supply Credit Agreement (the "Agreement") with the West Harris County Regional Water Authority ("WHCRWA") and stated that she anticipates the District will receive the final draft of the Agreement before the next meeting.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Miller reported on the District's compliance activities during the prior calendar year related to post bond issuance. The Board determined no corrective action is required at this time.

DISTRICT INFORMATION KIT

The Board reviewed an updated District's Information Kit. Ms. Miller asked Board members and consultants to submit any comments to ABHR. No Board action was taken.

REPORT FROM SRI ON STRATEGIC PARTNERSHIP REVENUES

Mr. Fortner presented a report on the District's sales tax revenue accounts, a copy of which is attached. He reviewed new and changed sales and use tax permits issued since the last report for businesses located within the District's boundaries.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills reviewed the bookkeeper's report, a copy of which is attached, including the District's bills and investment report. After review and discussion, Director Hammer moved to approve the bookkeeper's report and the payment of bills. Director Browning seconded the motion, which passed by unanimous vote.

Ms. Miller distributed a letter from Masterson Advisors, LLP, a copy of which is attached, regarding the financial advisor's annual disclosure in connection with the Municipal Securities Rulemaking Board's Rule G-10.

The Board concurred to defer acceptance of the annual disclosure statements for the District's bookkeeper and Investment Officer to the next meeting.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Cruthirds reviewed the tax assessor/collector's report, a copy of which is attached. She stated the 2018 taxes are 23.08% collected as of December 31, 2018. After review and discussion, Director Browning moved to approve the tax assessor/collector's report and payment of the tax bills. Director Hammer seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Ms. Falke reviewed the operator's report, including the billing summary and detail report, water production and accountability report, grease trap inspection report, and the customer service report. A copy of the operator's report is attached. She presented to the Directors a list of top residential water users, a copy of which is filed appropriately in the District's official records. Ms. Falke reported the District's water accountability for the reporting period was 93.7%. She reported on maintenance and repairs completed during the previous month and upcoming maintenance and repair items.

Ms. Falke gave an update on the replacement of the well motor at Water Plant No. 1.

Ms. Falke gave an update on repair of the leaky emergency interconnect valve located at Westpark and Vineyard and stated the repair is complete.

Ms. Falke presented correspondence from the District resident located at 15850 Clayton Bend Drive, a copy of which is attached to the operator's report, requesting a billing adjustment from the District due to a high water bill.

Discussion ensued regarding increasing the security deposit for District customers. Following discussion, the Board concurred to discuss the matter further at the next meeting in order to provide time for the operator to provide comparable data for consideration.

After review and discussion, Director Jones moved to (1) approve the operator's report; and (2) deny the request for a billing adjustment from the resident located at 15850 Clayton Bend Drive, because the water passed through the resident's meter. Director Hammer seconded the motion, which passed by unanimous vote.

HEARING ON TERMINATION OF WATER SERVICE

Ms. Falke presented a list of delinquent customers to the Directors and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Jones moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Hammer and passed by unanimous vote.

PARKS/RECREATION MATTERS

The Board discussed Mission Bend Greenbelt Association matters.

Mr. Newton gave an update regarding installation of lighting at Summit Valley right-of-way ("Summit Valley") and stated LJA will provide proposals for the lighting installation at the February meeting.

Director Browning reported the bollards at Summit Valley need to be painted.

Director Jones discussed the request the District received from SPARK School Park Program ("SPARK") to share in the costs of constructing a proposed park on the Miller Intermediate School campus. Following discussion, the Board directed Director Jones to request additional information from SPARK regarding the scope of proposed park facilities and estimated costs to construct the proposed park.

The Board reviewed a flyer from the Houston-Galveston Area Council ("H-GAC") regarding the Water Innovation Strategies of Excellence ("WISE") Awards, a copy of which is attached. Following review and discussion, the Board concurred not to submit an application to H-GAC for the WISE Awards at this time.

Mr. Newton reviewed an exhibit and a cost estimate, copies of which are attached to the engineer's report, to extend the sidewalk along Addicks-Clodine between Westheimer Road and Westpark (the "Sidewalk"). Ms. Miller stated she will contact the Office of Harris County Precinct 3 regarding possibly partnering with the District on the Sidewalk project.

ENGINEER'S REPORT

Mr. Newton reviewed the engineer's report, a copy of which is attached.

Mr. Newton gave an update on the request for Out-of-District water and sanitary sewer capacity for the tract located at the intersection of Highway 6 and Branch Forest Drive. He noted that LJA is waiting on approval from the City of Houston (the "City") allowing the District to provide the tract with Out-of-District service. Following discussion, the Board concurred to authorize preparation of an agreement for Out-of-District water and sanitary sewer capacity if the District receives City approval.

Mr. Newton reported LJA has issued a capacity allocation letter for a proposed 153-unit apartment development for 73 equivalent single-family connections.

Mr. Newton stated Harris County Municipal Utility District No. 147 ("HC MUD 147") awarded a contract in the amount of \$105,928.50 for rehabilitation of the joint lift station to F&L Coatings. He reported the HC MUD 147 engineer anticipates that the

project scope will be reduced and stated per the Agreement for Construction, Financing, and Operation of Water Distribution, Sanitary Sewer, and Drainage Improvements between the District and HC MUD 147, the District's share of the cost will be \$26,482.13 (or \$18,357.13, if the project scope is reduced).

Mr. Newton gave an update on construction of the 2017 Sanitary Sewer Rehabilitation project.

Mr. Newton gave an update on the repainting of District facilities at Water Plant No. 2 project, including Ground Storage Tank No. 1

Mr. Newton gave an update on the design of waterline loops for Clayton Oaks, Clayton Trace, Clayton Woods, Timber Gate, and Oak Park Patio subdivisions and reported LJA sent exhibits for necessary easements for the project to PAS Property Acquisition Services, LLC.

After review and discussion, Director Jones moved to approve the engineer's report. Director Browning seconded the motion, which passed by unanimous vote.

WEBSITE

There was no discussion on District website matters.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

There were no reports from directors or District consultants.

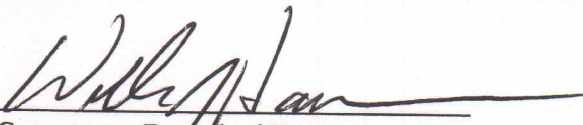
ANNUAL REVIEW OF CONSULTANT CONTRACTS

There was no discussion on the annual review of the District's consultant contracts.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)




Secretary, Board of Directors

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