

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 120

May 9, 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 9th day of May 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 Monte Hyman, Mike Philips, and Linda Hooker of Mission Bend United Methodist Church (the "Church"); Kathy Cruthirds of Tax Tech, Inc. ("Tax Tech"); Mary Ann Mihills of Municipal Accounts & Consulting, L.P. ("MAC"); Patrick Newton of LJA Engineering, Inc. ("LJA"); Cathy Falke and Greg Camp of Environmental Development Partners, LLC ("EDP"); and Christina Miller and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the April 2, 2019, and the April 8, 2019, special meetings and the April 11, 2019, regular meeting. After review and discussion, Director Browning moved to approve the minutes of the April 2, 2019, and the April 8, 2019, special meetings and the April 11, 2019, regular meeting as submitted. Director Jones seconded the motion, which passed unanimously.

PUBLIC COMMENTS

Mr. Hyman stated he is the Finance Chair for the Church and requested a billing adjustment for the Church due to two major water leaks on the Church campus over the past year. Ms. Falke stated the Church was billed for water that passed through its meter. She noted EDP tested the Church's water meter and that the meter registered accurately. Following discussion, the Board concurred to deny the request for a billing adjustment. Ms. Miller reported the District amended its Rate Order last month to waive the additional security deposit requirement for the Non-Taxable User class of

customers and, therefore, the additional security deposit requirement for the Church's accounts has been waived.

ATTORNEY'S REPORT

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

Ms. Miller reported that the West Harris County Water Authority (the "WHCRWA") is processing the Alternative Water Supply Credit Agreement between the District and the WHCRWA.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

Ms. Miller reviewed the District's Travel Reimbursement Guidelines applicable to any Board member's attendance at the AWBD summer conference in Fort Worth. After discussion, Director Jones moved to authorize up to four per diems for attendance at the AWBD summer conference, up to three nights hotel at the conference rate, and necessary meals, to be submitted in accordance with the District's Travel Reimbursement Guidelines. Director Browning seconded the motion, which passed by unanimous vote.

AMENDED AND RESTATED JOINT TRUNK SEWER AGREEMENT

Ms. Miller reviewed a draft of an Amended and Restated Joint Trunk Sewer Agreement (the "Joint Agreement") from Chelford City Municipal Utility District and noted that the Joint Agreement will be presented to the Board for consideration once finalized.

LEGISLATIVE UPDATES

Ms. Miller gave an update regarding legislative matters pertaining to the 86th Regular Session of the Texas Legislature.

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 Jones moved to approve the bookkeeper's report and the payment of bills. Director Browning seconded the motion, which passed by unanimous vote.

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 97.63% collected as of April 30, 2019. 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 96.4%. She reported on maintenance and repairs completed during the previous month and upcoming maintenance and repair items.

Discussion ensued regarding the request from the Church for a billing adjustment from the District due to two major water leaks on the Church campus. Following discussion, Director Browning moved to authorize EDP to waive the sanitary sewer portion of the Church's bills for the months of July 2018 through December 2018. Director Jones seconded the motion, which passed by unanimous vote.

Ms. Falke reported that the District's drinking water is regulated by the Texas Commission on Environmental Quality ("TCEQ") to ensure that the water meets all of the requirements as stated in the Federal Drinking Water Standards, which also requires the District to annually prepare a Consumer Confidence Report ("CCR") and distribute it to District residents regarding the quality of the drinking water. She reviewed the CCR and requested the Board approve the CCR and authorize EDP to distribute it to District residents. After review and discussion, Director Jones moved to approve the CCR and authorize the operator to distribute the CCR to District residents and file the certificate of mailing with the TCEQ. Director Hammer seconded the motion, which passed by unanimous vote.

Ms. Falke reviewed the 2018 water loss audit, a copy of which is attached, and requested the Board's approval and authorization to submit the audit to the Texas Water Development Board.

The Board reviewed an updated Critical Load Spreadsheet ("CLS") for the District's facilities. Ms. Miller reported that the CLS has been reviewed by the District's operator, engineer, and bookkeeper, and that the CLS will be filed with the appropriate governmental agencies as required by the state law.

After review and discussion, Director Marinez moved to (1) approve the operator's report; (2) approve the water loss audit report and direct that the audit be filed appropriately and retained in the District's official records; and (3) authorize ABHR to file the District's updated CLS with the appropriate governmental agencies. 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 Marinez 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

Ms. Miller reported she has been communicating with a representative from the Office of Harris County Precinct 3 ("Precinct 3") regarding the possibility of Precinct 3 partnering with the District and other municipal utility districts on trail projects in the Mission Bend area. Ms. Miller noted that a representative from Precinct 3 is planning to attend a District Board meeting within the next two months.

Mr. Newton gave an update on the installation of lighting at Summit Valley right-of-way and requested approval of Pay Estimate No. 1 in the amount of \$21,495.15 to E Diamond Electric. Following discussion, Director Jones moved to approve Pay Estimate No. 1 in the amount of \$21,495.15, subject to the bookkeeper receiving confirmation from Mr. Newton that the project is progressing. Director Hammer seconded the motion, which passed by unanimous vote.

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 from Metarock Laboratories for the tract located at the intersection of Highway 6 and Branch Forest Drive. Ms. Miller noted she is coordinating with the City of Houston to provide written confirmation that the District may serve the tract.

Mr. Newton gave an update on construction of the 2017 Sanitary Sewer Rehabilitation project and stated the project is complete. He noted the final pay estimate and certificate of completion for the project will be presented next month.

Mr. Newton gave an update on the repainting of District facilities at Water Plant No. 2 project, including Ground Storage Tank No. 1 and requested approval of Pay Estimate No. 2 in the amount of \$66,150.00 to CFG Industries ("CFG").

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 the acquisition of necessary easements for the project.

After review and discussion, Director Jones moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 2 in the amount of \$66,150.00 to CFG for the repainting of District facilities at Water Plant No. 2 project. Director Hammer seconded the motion, which passed by unanimous vote.

WEBSITE

There was no discussion on District website matters.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

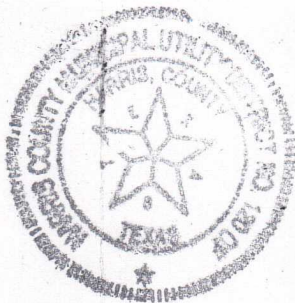
There were no reports from directors or District consultants.

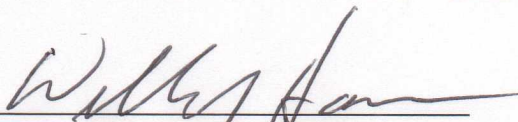
ANNUAL REVIEW OF CONSULTANT CONTRACTS

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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