

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 120

July 11, 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 11th day of July 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"); Paul Hawkins of Harris County Precinct No. 3 ("Precinct 3"); Derek Michael of Sales Revenue, Inc. ("SRI"); and Christina Miller, Cheryl Panozzo, and Arlene Catalan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 4, 2019, and the June 10, 2019, special meetings and the June 6, 2019, regular meeting. After review and discussion, Director Browning moved to approve the minutes of the June 4, 2019, and the June 10, 2019, special meetings and the June 6, 2019, regular meeting as submitted. Director Hammer seconded the motion, which passed unanimously.

PUBLIC COMMENTS

There were no comments from the public.

PROJECT PARTNERSHIP WITH PRECINCT 3

Mr. Hawkins presented a five-year project plan prepared by the Harris County Community Service Department, which includes proposed sidewalk and undercrossing

projects in the District (collectively, the "Sidewalks"). Mr. Hawkins inquired if the District would consider partnering with Precinct 3 to construct the Sidewalks. Mr. Hawkins noted that Harris County will negotiate the engineering contracts and manage the design and construction phases for the Sidewalks. Following review and discussion, Director Jones moved to authorize ABHR to work with Precinct 3 to prepare an agreement for the District to partner with Precinct 3 on the design and construction of the Sidewalks. Director Hammer seconded the motion, which was approved by unanimous vote.

#### REPORT FROM SALES REVENUE, INC. ON STRATEGIC PARTNERSHIP REVENUES

Mr. Michael 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.

#### ATTORNEY'S REPORT

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

#### AMENDED AND RESTATED JOINT TRUNK SEWER AGREEMENT

Ms. Miller gave an update on the Amended and Restated Joint Trunk Sewer Agreement (the "Joint Agreement") and reported that the District has not yet received feedback on the proposed revisions to the draft Joint Agreement that she submitted to Chelford City Municipal Utility District.

#### LEGISLATIVE UPDATES

Ms. Miller reviewed the 2019 ABHR Capitol Report and updated the Board regarding legislative matters.

#### AUTHORIZE EXECUTION OF INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT FOR WATER WISE PROGRAM

Ms. Miller reviewed an Interlocal Agreement with the Harris Galveston Subsidence District for the District's sponsorship of certain students attending Holmquist Elementary School in the Learning to be Water Wise Program for the 2019-2020 school year in the amount of \$36.46 per student. Following review and discussion, Director Jones moved to authorize execution of the Interlocal Agreement and direct that the agreement be filed appropriately and retained in the District's official records. Director Hammer seconded the motion, which was approved by unanimous vote.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference. After review and discussion, Director Jones moved to (1) approve reimbursement of all eligible expenses for the AWBD 2019 summer conference, which the bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines; and (2) authorize all interested Directors to attend the AWBD 2020 mid-winter conference. Director Marinez seconded the motion, which passed by unanimous vote.

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. She requested the Board approve additional check no. 12862 in the amount of \$687.99, payable to Joe's Barbeque. After review and discussion, Director Hammer moved to approve the bookkeeper's report and the payment of bills, including check no. 12862. Director Browning seconded the motion, which passed by unanimous vote.

APPROVE CHELFORD CITY REGIONAL WASTEWATER TREATMENT PLANT BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2020

Ms. Miller reported that the District has not received the Chelford City Regional Wastewater Treatment Plant budget for fiscal year end September 30, 2020.

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 98.63% collected as of June 30, 2019. After review and discussion, Director Jones moved to approve the tax assessor/collector's report and payment of the tax bills. Director Marinez 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 98.6%. She reported on maintenance and repairs completed during the previous month and upcoming maintenance and repair items.

Ms. Falke reported information regarding repair and painting of fire hydrants in the District.

Ms. Falke presented an appeal from the customer at 14608 Branchwest Drive, a copy of which is attached to the operator's report, requesting a billing adjustment from the District.

Discussion ensued regarding an offer from Accurate Meter & Supply for a trial use of 10 smart water meters.

After review and discussion, Director Marinez moved to (1) approve the operator's report; and (2) deny the appeal from the customer at 14608 Branchwest Drive, because the water passed through the meter. Director Jones 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 Jones and passed by unanimous vote.

#### PARKS/RECREATION MATTERS

Mr. Newton reviewed a report on parks and recreation matters, a copy of which is included in the engineer's report.

Mr. Newton updated the Board regarding the installation of lighting at Summit Valley right-of-way ("Summit Valley") and said that Pay Estimate No. 1 in the amount of \$21,495.15, which was approved at the May 9, 2019, Board meeting, has been released to E Diamond Electric.

Mr. Newton next updated the Board regarding landscape maintenance of Summit Valley and said the trees have been trimmed and he anticipates that the damaged fence will be replaced in approximately one week.

The Board reviewed a proposal from DEBCO Construction ("DEBCO"), a copy of which is attached, in the amount of \$2,170.00 to sand, prepare, and paint 29 bollards and repair a gate hinge. Following review and discussion, Director Hammer moved to (1) approve the proposal from DEBCO; and (2) approve a Service Agreement between the District and DEBCO, subject to DEBCO submitting House Bill Form 1295 to the District. Director Jones 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 reported LJA sent correspondence, a copy of which is attached to the engineer's report, to the property owners of 3826 Gamlin Bend Drive (the "Property") regarding classification of the Property as a multi-unit establishment and stated that LJA has not received a response from the property owner.

Mr. Newton presented correspondence from HouTex Engineering, LLC ("HouTex") requesting a utility availability letter for the proposed development of Westpark Mobile Office located at 14701 Westpark Drive.

Ms. Miller updated the Board on the request for out-of-District water and sanitary sewer capacity from Metarock Laboratories and stated that she submitted a letter to the City of Houston requesting written confirmation that the District may serve the tract.

Mr. Newton gave an update on the repainting of District facilities at Water Plant No. 2 project, including Ground Storage Tank No. 1, and said that the project is complete and the final inspection was held Wednesday, July 10, 2019. He presented and recommended the Board approve Pay Estimate No. 3 in the amount of \$56,700.00 and Pay Estimate No. 4 in the amount of \$37,800.00, both payable to CFG Industries, LLC.

Mr. Newton discussed services from a third party, Preventive Services, LP ("Preventative"), for a coating inspection of the Water Plant No. 2 project, including Ground Storage Tank No. 1. He requested authorization to revise LJA's proposal for engineering services related to the repainting project, which was previously approved by the Board, to change the fee for inspection services from lump sum to time and materials. Following review and discussion, Director Jones moved to authorize LJA to revise the proposal with LJA, as discussed, subject to receipt of a change order. Director Hammer seconded the motion, which passed by unanimous vote.

Mr. Newton recommended televising the sanitary sewer lines for a proposed 2019 Sanitary Rehab Project. Following discussion, the Board requested that LJA present a proposal for televising, as discussed, at the August meeting.

After review and discussion, Director Jones moved to (1) approve the engineer's report; (2) authorize LJA to send a capacity availability letter to HouTex for the proposed development at 14701 Westpark Drive; and (3) based on the recommendation of LJA, approve Pay Estimate No. 3 in the amount of \$56,700.00 and Pay Estimate No. 4 in the amount of \$37,800.00, both payable to CFG Industries, LLC. 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 for this agenda item.

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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