

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 120

October 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 October 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.; 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"); Jennifer Smith of Accurate Meter & Supply ("Accurate Meter"); Shannon Waugh of Off Cinco; and Christina Miller and Arlene Catalan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the September 3, 2019, and September 9, 2019, special meetings and the September 12, 2019, regular meeting. After review and discussion, Director Browning moved to approve the minutes of the September 3, 2019, and September 9, 2019, special meetings and the September 12, 2019, regular meeting as amended. Director Hammer seconded the motion, which passed unanimously.

PUBLIC COMMENTS

There were no comments from the public.

ACCURATE METER AND SUPPLY SMART METERS

Ms. Smith presented and reviewed the updated proposal from Accurate Meter for Polymer E-Series Badger Meters, including startup costs.

Discussion ensued regarding the installation locations for the ten smart meters for the trial program and how the smart meters notify users of their water usage.

After review and discussion, Director Hammer moved to participate in the smart meter pilot program. Director Jones seconded the motion, which passed unanimously.

OFF CINCO COMMUNICATIONS PRESENTATION

Ms. Waugh presented and reviewed a Messaging Services Proposal to the Board. She stated the District's current website could be utilized to include the signup information for residents to receive text alerts and email alerts. She added that the signup information could also be put on a separate website, such as EDP's website.

Ms. Waugh then reviewed a Website Proposal with the Board. She described the different website layout options and monthly hosting and maintenance options. Discussion ensued regarding the District's current website and Off Cinco's proposal options. The Board requested an item be added to next month's agenda to consider service agreements for messaging and website services.

ATTORNEY'S REPORT

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

Ms. Miller presented and reviewed a letter from Harris-Galveston Subsidence District, a copy of which is attached, regarding grant funding for water conservation programs.

Ms. Miller presented and reviewed a Notice of Anticipated Fees from West Harris County Regional Water Authority ("WHCRWA"), a copy of which is attached.

AMENDED AND RESTATED JOINT TRUNK SEWER AGREEMENT

Ms. Miller reported that per the Board's direction she provided comments on the Amended and Restated Joint Trunk Sewer Agreement (the "Joint Agreement") to Chelford City Municipal Utility District.

INTERLOCAL AGREEMENT WITH HARRIS COUNTY FOR TRAIL EXPANSION PROJECT

Ms. Miller reported the Interlocal Agreement with Harris County (the "County") is currently being prepared by the County's legal department.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills presented and 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 presented and reviewed the tax assessor/collector's report, a copy of which is attached. She stated the 2018 taxes are 99.40% collected as of September 30, 2019. After review and discussion, Director Hammer moved to approve the tax assessor/collector's report and payment of the tax bills. Director Jones seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Director Gassmann then opened the public hearing. No members of the public came forward to make comments. Director Gassmann then closed the public hearing.

Discussion ensued regarding Harris County's tax rate increase.

Ms. Miller presented to the Board an Order Levying Taxes for 2019 with a total \$0.455 tax rate comprised of \$0.255 for debt service and \$0.20 for operations and maintenance. Ms. Miller then presented to the Board an Amendment to Information Form reflecting the newly adopted tax rate. The Board confirmed its intention that the 2019 tax levy includes a debt service component for the calendar year ending December 31, 2020, and a maintenance tax component for the fiscal year ending December 31, 2020. After review and discussion, Director Jones moved to (1) adopt the Order Levying Taxes as presented and direct that the Order be filed appropriately and retained in the District's official records; and (2) approve the Amendment to Information Form as presented and direct that the Amendment be filed appropriately and retained in the District's official records. Director Marinez seconded the motion, which passed unanimously.

RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO THE BOARD OF DIRECTORS OF THE HARRIS COUNTY APPRAISAL DISTRICT

The Board took no action on this agenda item.

OPERATOR'S REPORT

Ms. Falke presented and 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. She reported on

maintenance and repairs completed during the previous month and upcoming maintenance and repair items.

Ms. Falke stated the annual repairs and painting of the fire hydrants in the District is complete. She reported 111 fire hydrant reflector dots were replaced.

Ms. Falke said there was a main line break that was excavated and repaired on the corner of Addicks Clodine and Branch Forest.

Ms. Falke noted the wet wells at lift station no. 1 and lift station no. 2 were cleaned.

Ms. Falke reported on a service line leak located at the northeast corner of Green Crest and Westpark. She stated the service line leak would be repaired the upcoming weekend because the water turn off would affect the nearby school.

Ms. Falke gave an update on the Programmable Logic Controller ("PLC") at Water Plant No. 2 and she said an estimate was received from NTS for the repair of the PLC of \$16,000.00. Ms. Falke recommended that the Board go forward with the repair and said EDP will supply all the information to the insurance company.

Ms. Falke reported the District's water accountability for the reporting period July 31, 2019, to August 29, 2019, was 81.2%. She stated the water accountability was lower than normal due to various factors such as Water Plant No. 2 going on-line, the flushing of the distribution system after losing pressure on August 10, 2019, and the significant main line break on Addicks Clodine on August 21, 2019.

Ms. Falke reported the District's water accountability for the reporting period August 30, 2019, to September 30, 2019 was 58.25%. She said EDP has verified the interconnect valves are closed and the meter reads on the ground storage tanks are accurate. Ms. Falke stated EDP will have a leak detection survey conducted on Monday, October 14, 2019, to inspect the interconnects and ensure water isn't leaking through a valve. She added the District's storm sewers are being checked for evidence of a large main line break. Discussion ensued regarding possible locations in the District EDP should inspect for signs of leak.

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

HEARING ON TERMINATION OF WATER SERVICE

Ms. Falke presented and reviewed 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 Hammer 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 Browning and passed by unanimous vote.

PARKS/RECREATION MATTERS

Director Hammer reported on the Mission Bend Greenbelt Association meeting.

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

Mr. Newton gave an update on the installation of lighting at Summit Valley Right-of-Way and he said E Diamond Electric completed all the items remaining on the punch list. He recommended releasing the check to E Diamond Electric. Mr. Newton reported a timer was installed temporarily to control the lights. He noted the Board's preference in a photocell. Mr. Newton recommended approval of Change Order No. 3 to the contract with E Diamond Electric for the lighting at Summit Valley Right-of-Way to increase the contract in the amount of \$939.30 due to the installation of a photocell. The Board determined that Change Order No. 3 is beneficial to the District. After review and discussion, and based on the engineer's recommendation, Director Hammer moved to approve Change Order No. 3 to the contract with E Diamond Electric for the lighting at Summit Valley Right-of-Way. Director Jones seconded the motion, which passed by unanimous vote.

Mr. Newton next gave an update on landscape maintenance of Summit Valley and said the dead tree blocking the sidewalk has been trimmed and will be removed early next week.

ENGINEER'S REPORT

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

Mr. Newton reported LJA was contacted by the attorney of the property owners of 3826 Gamlin Bend Drive (the "Property"). He stated LJA explained to the attorney what the District is requiring from the property owner so that the Property can get the water and sewer taps.

Mr. Newton reported on a request from HouTex Engineering, LLC, for the proposed development of Westpark Mobile Office located at 14701 Westpark Drive. He stated Harris County Flood Control District ("HCFCD") sent comments to the design engineer regarding the 100-year sheet flow into the regional detention pond. Mr. Newton stated LJA will work with the design engineer to address HCFCD comments.

Mr. Newton reported LJA is waiting for the update on the easement status from Property Acquisition Services.

Mr. Newton stated that bids were received for televising sanitary sewer lines. He recommended that the Board award the contract to Chief Solutions, Inc. ("Chief Solutions") in the amount of \$57,177.50. The Board concurred that, in its judgment, Chief Solutions was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Following review and discussion, Director Hammer moved to award the contract for televising sanitary sewer lines to Chief Solutions in the amount of \$57,177.50, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Marinez seconded the motion, which passed by unanimous vote.

Mr. Newton gave an update to the board on the Capital Improvement Plan and stated the project list has been updated.

Mr. Newton stated LJA has submitted the Emergency Preparedness Plan to the Texas Commission on Environmental Quality.

After review and discussion, Director Hammer moved to approve the engineer's report and to release the check to E Diamond Electric for the completion of the items on the punch list. Director Jones seconded the motion, which passed by unanimous vote.

WEBSITE

There was no further discussion on District website matters.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

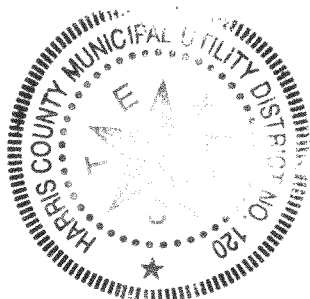
Director Browning reported on the WHCRWA meeting.

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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