

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF REGULAR MEETING

December 21, 2015

STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 132 (the "District") met in regular session at the designated meeting place of the Board, the Harris County W.C.I.D. No. 132 Water Plant, 4107 Evening Trail, Spring, Texas 77388, on the 21st day of December 2015, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

William R. Papp	President
Jim Dow	Vice President
Peggy Batson	Secretary
T. Gary Toll	Assistant Secretary
Mary Bonetati	Assistant Secretary

All members of the Board were present, thus constituting a quorum.

Also present were resident John T. ("Terry") Williams; Betty Toldan and Brian Toldan of McCall Gibson Swedlund Barfoot PLLC, the District's Auditor ("Auditor"); Rene Anandel of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor/Collector"); Greg East of Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Delinquent Tax Attorney"); Maria Salinas Parker of Sanford Kuhl Hagan Kugle Parker Kahn, LLP, the District's Attorneys ("Attorney"); Tony Sarman of AEI Engineering, LLC, the District's Engineer ("Engineer"); Andy Phelps and Johnson Ashcraft of Environmental Development Partners ("EDP"), the District's Operator ("Operator"); Cindy Schmidt, the District's Bookkeeper ("Bookkeeper"); and Sherry Allard, the District's Recording Secretary ("Recording Secretary").

President Papp called the meeting to order at 5:30 p.m., and the following business was transacted.

The Board voted to change the agenda order to recognize the Auditor, motion having been made, seconded, and unanimously carried.

CONSIDER AND ACT UPON REPORT RELATING TO GARDEN

Contract with Head, Inc.

Mr. Toldan stated the Auditor was asked to review invoices submitted by Head, Inc. ("Head") against the contract with Head. He stated that the Contract is general in scope and does not provide specific authorization for specified projects that Head performed; and for which Head may have submitted invoices. The President stated that he had met earlier with Dir. Bonetati and Mr. Williams to discuss invoices from, and payments made to Head regarding the Garden. Discussion ensued regarding a final accounting of invoices and monies paid to Head. Mr. Toldan stated that the Auditor will review all invoices and payments made to Head.

The President and Dir. Williams agreed to discuss this subject in greater detail after the meeting.

A motion made to return to the order of the day, duly seconded, unanimously carried.

ACCEPT RESIGNATION OF DIRECTOR DOW

Dir. Dow tendered his written resignation from the Board, effective immediately, as he had sold his house and was moving out of state. After consideration, upon motion made, seconded, and unanimously carried, the Board accepted, with regret, Dir. Dow's resignation.

APPOINTMENT AND QUALIFICATION OF DIRECTOR

The President informed the Board that Mr. Terry Williams has agreed to fill the vacancy left by Dir. Dow's resignation. The Attorney stated that he has taken his Oath of Office and filled out all required documents to serve. After consideration, upon motion duly made and seconded, the Board voted to appoint Mr. Williams to fill the vacancy on the Board.

A motion made and seconded to waive expenses for copying items related to Dir. Williams' Open Records Request carried without dissent.

REVIEW AND APPROVE TAX ASSESSOR/COLLECTOR'S REPORT, INCLUDING:

Approval of Report and Payment of Bills from Tax Account

Ms. Andel presented the Tax Assessor/Collector report, a copy of which is attached as a part hereof for all purposes. She presented checks for approval and signature. After review, upon motion made and seconded, the Board approved the Tax Assessor/Collector report and payment of the bills.

Report on Status of Tax Collections, Authorize Termination of Water Service to Delinquent Tax Accounts

Mr. East then reported on delinquent tax accounts as noted in the Perdue report, a copy of which is considered a part hereof. After consideration, upon motion made, seconded, and unanimously carried, the Board approved the Delinquent Tax Attorney's report.

APPROVE BOOKKEEPER'S REPORT, INCLUDING:

Authorizing payment of District bills

The President recognized Ms. Schmidt, a copy of whose Bookkeeper's report is attached to, and considered a part of, these minutes. The Bookkeeper presented new signature cards to the Board. Several checks for Garden-related items were discussed. Ms. Schmidt noted that the Don Dulin check is not a duplicate and agreed to discuss the matter further with Dir. Williams.

Approval of Investment Report

The Board, by motion made and seconded, approved the Bookkeeper's Report, Investment Report, and payment of the bills.

Approve Budget for fiscal year ending December 31, 2016

Ms. Schmidt then reviewed with the Board the proposed Budget, beginning with Garden expenses. The President noted that the Budget under consideration already reflects the reduced Garden budget and schedule from Patricia Herbert.

After review, upon motion made and seconded, the Board approved the Budget for fiscal year ending December 31, 2016 in unanimity.

Upon motion duly made and seconded, the Board unanimously approved interrupting the agenda order to recognize the Operator.

CONSIDER AND ACT UPON OPERATOR'S REPORT, including:

Authorization for Operator to Terminate Water and Sewer Service to Certain Delinquent Accounts for Non-Payment of Water and Sewer Bills

Mr. Phelps then presented the Operator's report, a copy of which is attached hereto as a part hereof. There were 69 delinquent letters mailed out, Mr. Phelps noted. After motion and second, the Board voted to start the disconnect process with door hangars for those cited account holders.

Authorize repairs to water supply system and wastewater collection system

Accountability was a low 89% this month, Mr. Phelps reported. The Operator felt that this was probably due to the low consumption.

Mr. Phelps discussed the two jointly owned sanitary sewer manholes that overflowed. The Board asked that the Attorney forward related items to CUD, noting that both excursions [reported to the Texas Commission on Environmental Quality ("TCEQ")] are attributable to disposable towels and grease. The Operator asked to have the Engineer review several segments of the video, as he is concerned that more than televising may be required to undertake repairs.

Upon motion made, seconded, and unanimously carried, the Board approved the Operator's report as presented.

CONSIDER AND ACT ON ENGINEER'S REPORT, including:

Bond Application

Mr. Sarman presented the Engineer's report, a copy of which is attached as a part of these minutes. His comments regarding the Preliminary Official Statement will be forwarded to the Attorney he stated.

District Map

The Engineer is having the new maps framed to match the old ones and hopes that they will be ready next month.

Approve requests for water and sewer service

The Board stated that the Engineer must have the full deposit of the Gonzales Acquisition Group before commencing with the Feasibility Study.

Authorize Repair and Maintenance Projects within the District

Mr. Sarman stated that he has begun reviewing plans and is working with the Operator to determine the best site for locating an emergency generator at the 132 Water Plant.

Upon motion made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

APPROVE MINUTES OF NOVEMBER 4, 2015, NOVEMBER 16, 2015, and DECEMBER 2, 2015

After review, upon motion made and seconded, the Board voted to defer approving the cited minutes.

ATTORNEY'S REPORT

Website

The Attorney informed the Board that Mr. Dulin was notified of his contract termination.

Bond Application

The Attorney informed the Board that the Financial Advisor will attend the next Garden meeting to discuss and approve certain bond-related matters.

CITING NO ADDITIONAL BUSINESS BEFORE THE BOARD AT THIS TIME, motion and second to adjourn at 8:00 p.m., carried.

PASSED AND APPROVED

Date

Peggy Batson
Secretary of the Board of Directors

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PASSED AND APPROVED

January 18, 2016
Date

Mary Bondoli
Peggy Batson

ASST.

Secretary of the Board of Directors