

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

18 February 2008

STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors of Harris County Water Control and Improvement District No. 132 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 18th day of February 2008, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

Robert "Bob" Daniel	President
John D. Shannon	Vice President
Thomas Mancini	Secretary
T. Gary Toll	Assistant Secretary
William R. Papp	Assistant Secretary

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

Also present were Barbara Payne of Payne Communications, the District's media consultant, ("media consultant;") Carol Fraser; Maria Parker of Coats, Rose, Yale, Ryman & Lee, P.C., the District's Attorneys ("Attorney;") Mark Adam of AEI Engineering, Inc., the District's Engineer ("Engineer;") Mike Ammel and Ben Connelley of Environmental Development Partners ("EDP;") the District's Operator ("Operator;") Sara Ahlschlager of Wheeler & Associates, Inc., the District's Tax Assessor/Collector "Tax Assessor/Collector;") Cindy Schmidt, the District's Bookkeeper ("Bookkeeper;") and Sherry Allard, the District's Recording Secretary ("Recording Secretary.")

The President called the meeting to order in accordance with law at 5:30 p.m. and welcomed all guests present.

REVIEW AND APPROVE MINUTES OF MEETINGS OF JANUARY 15, 2008, JANUARY 17, 2008, AND JANUARY 21, 2008

Approval of past minutes was given first consideration by the Board. After review and motion made by Dir. Mancini, seconded by Dir. Toll, the Board voted unanimously to approve the minutes of the January 15, 2008, January 17, 2008, and January 21, 2008 meetings as written.

CONSIDER AND ACT UPON OPERATOR'S REPORT

Mr. Ammel, next recognized for the Operator's report, copy of which, disseminated to Directors prior to the meeting, is attached hereto and considered a part hereof for all purposes, informed the Board that the sanitary sewer system repairs authorized at the December Board meeting cost \$3,811.81, rather than his \$2,000 estimate, Mr. Ammel stated. The additional cost was due to the cleanout being abandoned and turned into a customer service connection, he explained. As a

result of the repair, the Operator stated, there is now a clean-out on the District line. As for the irrigation system survey, the Operator stated his team has visited the 250 homes with such systems in an attempt to gain more information about them. The survey was completed on about 50% of the systems, so the Operator left door notices for the other customers to contact his office to complete the survey. If a resident is a renter, Dir. Papp added, the hold harmless clause would have to be signed by the owner, posing a delay. The Board discussed holding another meeting with DbLive's Mr. Fairey and the Cypresswood Homeowners Association ("HOA") to consider including just the Cypresswood Place residents, major District users, the HOA esplanades, and any Directors wishing to participate, as the production time for the monitoring devices presents another risk of delaying the project.

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

The Operator then reported to the Board the fifty-four (54) delinquent accounts whose service is to be terminated in accordance with the District's Rate Order. No customer was present to discuss the status of his/her account delinquency, it was noted. Dir. Papp moved to approve the service terminations as presented. Dir. Shannon seconded the motion, which received unanimous support from the Board.

Authorization of Repairs to Water Supply System and Wastewater Collection System

The Operator reported that there were no items requiring the Board's authorization.

REVIEW AND APPROVE TAX ASSESSOR/COLLECTOR'S REPORT

The President then asked Ms. Ahlschlager to update the Board regarding tax matters. The Tax Assessor/Collector reviewed with the Board her report, copy of which is attached to, and considered a part of, these minutes. Of note, the Tax Assessor/Collector's report was disseminated before the meeting.

Approval of Report and Payment of Bills from Tax Account

The invoices paid by checks prepared from the tax account were presented for the Board's consideration and approval. Dir. Papp moved to approve the checks presented by the Tax Assessor/Collector. Dir. Shannon seconded, with the Board voting its unanimous approval.

Report on Status of Tax Collections, Authorize Termination of Water Service To Delinquent Tax Accounts, and Authorize Filing Of Suit To Foreclose Tax Lien On Delinquent Accounts

Ms. Ahlschlager informed the Board that January saw a strong influx of tax payments, representing 93.1% of the 2007 taxes, compared to last year's 80.43% collections during the same time month. She then reviewed with the Board the current Perdue, Brandon, *et al* Delinquent Account report. Accounts numbered 105-249-000-0026 and 104-503-000-0026 have been paid in full, Ms. Ahlschlager noted. After consideration, the Board, upon motion duly made and seconded, approved the Tax Assessor/Collector's report as presented.

CONSIDER AND ACT ON ATTORNEY'S REPORT

Engage Attorney to collect delinquent taxes

Ms. Parker, recognized by the President, reminded the Board that in order to assess and collect an additional penalty for nonpayment of taxes, the Board must first engage a Delinquent Tax Attorney. After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the question being put to the Board, the Board voted in accord to engage Perdue, Brandon, *et al* as the District's Delinquent Tax Attorney.

Authorize 20% penalty on delinquent 2007 taxes

The Attorney stated that, having hired a Delinquent Tax Attorney, the District must now authorize said Delinquent Tax Attorney to assess the additional penalty on delinquent taxes. After consideration, upon motion duly made and seconded by Dirs. Papp and Mancini, respectively, the Board voted unanimously to authorize a 20% penalty on delinquent 2007 taxes.

Approve tax exemptions for 2008

The Attorney stated that at this time of year the District considers granting certain tax exemptions to its residents. Dir. Papp motioned to grant a 20% homestead exemption to District residents. Dir. Toll seconded, after which the Board voted its unanimous consent. Thereafter, Dir. Papp moved to approve a \$20,000 exemption for disabled or elderly (over 65 years of age) residents. Dir. Toll seconded the motion, which garnered unanimous support from the Board.

Adopt Order Calling Directors Election

The Attorney informed the Board that the Directors Election, held every two years, would this term have Dirs. Shannon and Toll seeking re-election. Should no other candidate file in the election, first to be on the ballot by a deadline of March 10, 2008, and second, as a write-in candidate by the March 17, 2008 deadline, the Board could, at its March regular meeting, declare the candidates elected and cancel the election. Dir. Shannon moved to adopt the Order Calling Directors Election. Dir. Toll seconded the motion, which received unanimous support from the Board.

Approve Voting Rights Letter

The Attorney stated that any time there is a change in the election information of the District, a submission must be made to the United States Justice Department.

Approve DbLive Program and take all necessary actions related thereto, including approval of expenditure of funds and entering into contracts

Regarding the sprinkler system monitoring device pilot program, the Attorney stated that the street address of each program participant should be added to the lock box location. Dir. Papp stated that, at the January 9, 2008 meeting, the Board had authorized a donation of \$5,000 to the Alliance

for Water Efficiency but noted it was not included in the minutes. Dir. Papp motioned approval of the donation of \$5,000 to the Alliance for Water Efficiency. With Dir. Toll's second, the Board voted unanimously in favor of the motion. The Board agreed to call Mr. Fairey to obtain a price of the monitors for budgetary purposes.

Joint Facilities Meeting with Cypresswood Utility District ("CUD")

The Attorney stated that the next meeting with CUD is scheduled for March 25, 2008. The Board asked the Attorney to request that CUD's attorney route the agenda to their board members.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS

Discuss status of website and customer communication and take action related thereto

Ms. Payne was then called upon by the President to give the Board an update on her activities on behalf of the District. The President asked to update the Board on matters of public relations. She informed the Board that Mr. Rendl of the North Harris County Regional Water Authority ("the Authority") was quite impressed with the plans of the Board with respect to its water conserving pilot program. To that end, the Authority had granted \$1,000 to help fund the cost of the pilot study.

Discuss landscape garden, customer communication and take necessary action in connection therewith

Ms. Payne stated that she and Ms. Fraser had been working to prepare an overview of the plans for the garden and its related activities. She stated that there are many opportunities for community involvement, garden expansion and enhancements, and that she and Ms. Fraser need the Board's guidance as to how to proceed. The Board's choices would not only denote the types of activities and garden enhancements, she added, but would thereby limit expenditures. Ms. Fraser then narrated the video they had prepared for the District.

Ms. Fraser suggested relocating the storage shed to the back fence, near the two (2) pine trees, for its dryness. When reviewing 'inventory and assessment' of the garden, Ms. Fraser stated that she would like to see the facility become a "water conservation display garden." That would entail utilizing certain personnel, she added. Expansion of the garden's potential would involve focusing on certain areas' redesign, she added. She was very concerned about reckless pruning, poor use of native plants, and the existing railroad tie. She suggests reworking garden signage, more frequent applications of compost and mulch, removing sprinklers, harvesting rainwater in collection barrels for use in the garden, and creating a bog garden. Modifications and repairs include the butterfly vine planting, maybe establishing a monarch butterfly way station, resolution of drainage problems, obtaining a CenterPoint easement variance, appointing an advisory board, relocating the pooper scooper, and composing a set of rules for the garden. Professionals could even tag butterflies in 2009, she added. The budget discussed was very broad, and the Board asked that it be made more accurate.

The Board decided to approach the matter in steps, with Step 1 being the overhead easement with Centerpoint. The Board asked Mr. Adam and Attorney Parker to address the situation. Ms.

Fraser asked to have a timeline for how to proceed. Ms. Payne reminded the Board of the April showers campaign.

Dir. Mancini moved to interrupt Ms. Payne's report to recognize the Bookkeeper. Upon Dir. Toll's second, the Board voted unanimously in agreement.

BOOKKEEPER'S REPORT

Approval of report, payment of bills from the Operating Account, Depository Pledge Agreement and Investment report

President Daniel asked Ms. Schmidt to report on the District's financial matters. Her report, copy of which is attached hereto and considered a part hereof, was disseminated previously to the Board. The Bookkeeper reported that the Operator might be moving some regular sewer items to sewer rehabilitation, which could alter her Budget and Budget comparisons. Ms. Schmidt asked about the timing on CUD's emergency generator, so she would be prepared for funding the District's portion when billed. She then presented the Investment report for review. After discussion, upon motion duly made and seconded by Dirs. Toll and Mancini, respectively, the Board voted unanimously to approve the Investment report and payment of the District's bills as presented.

Upon Dir. Toll's motion to return to the order of the day, and following Dir. Shannon's second, the Board affirmed.

Discuss landscape garden, customer communication and take necessary action in connection therewith, continued

At this point, the Board continued its discussion with Ms. Payne and Ms. Fraser. Dir. Mancini again voiced his concern about the expense of the garden. Should the Board determine to go forward, the modifications must be done right, he added. Ms. Payne thought that perhaps scheduling a workshop during the day, revisiting the options and their respective costs, would be a good plan. It would also facilitate accurate figures for the Budget, she added. Ms. Payne noted that the Texas Parks and Recreation Department would be interested in working with the District on some of these modifications. There might be an opportunity to partner with Water-Safe through the AWBD, she added. Dir. Papp asked Ms. Fraser to make a map of the site and recommendations for the site usage.

Discuss newsletter and take necessary action related thereto

There was no discussion about the newsletter.

Report on status of butterfly vine project and compost project

The butterfly vine and compost projects were considered during Ms. Fraser's video discussion.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

The President then called upon Mr. Adam, who disseminated to and reviewed with the Board, his report for the month. A copy of his report is attached hereto and considered a part hereof for all purposes. The Engineer stated he had reviewed the tapes of the sanitary sewer and sent a list of items to the Operator. Mr. Adam stated he would work with the Operator to prioritize and price the repairs by the next meeting. He stated he has had no response from the County regarding the storm sewer outfalls.

Report on emergency generator and take necessary action related thereto

The Operator Mr. Connelley stated he had attended the pre-construction meeting, and the project was estimated to take 45 days' time to complete. The start date was February 26, 2008, but they are awaiting the automatic transfer switch, Mr. Connelley stated.

Authorize Engineer to prepare plans and specifications for District facilities

The Engineer stated that he is in the process of preparing bid information and will be soliciting bids for the proposed ground storage tank modifications and any required interior repair work. He expects to have this information for the next Board meeting, he added.

Requests for water and sewer service

There were no requests for water and sewer service.

Consider and approve pay estimates and change orders relating to contracts for the repair of the water supply system and sanitary sewer collection system

Discussion of approving pay estimates and change orders was tabled, as there was nothing to discuss at this time.

SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE BOARD OF DIRECTORS, INCLUDING:

Review correspondence addressed to the Board

The President cited the letter of January 23, 2007 from PLANET (Professional Landcare Network Awards Committee) that awarded WCID #132 the 2007 Green Industry Contribution Award. The letter asks for a representative from the District to attend the awards presentation, the President noted. Upon motion duly made by Dir. Mancini, seconded by Dir. Toll, and unanimously carried, the Board authorized Dir. Papp to attend the awards ceremony to accept the District's award.

Review correspondence sent by the District

The President asked that this item be tabled, as there was no correspondence from the District.

Report on meeting of Ponderosa Joint Powers Authority

The President recognized Dir. Mancini, who reported that there is some concern about one of the discharge lines into the creek, cutting the edge of the riprap. The President added that at the prior meeting, the Board discussed whether the level has subsided. Dir. Papp asked if they have considered a spillway.

THERE BEING NO FURTHER DISTRICT BUSINESS TO CONDUCT, Dir. Papp motioned for adjournment at 7:56 p.m. Dir. Shannon seconded the motion, which received the Board's unanimous consent.

PASSED AND APPROVED

May 19, 2008
Date

Tom Mancini
Tom Mancini
Secretary of the Board of Directors