

COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

19 May 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 19th day of May 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, except Dir. Mancini, thus constituting a quorum.

Also present were Michael Willis 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.")

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

REVIEW AND APPROVE MINUTES OF MEETINGS OF MARCH 11, 2008, MARCH 19, 2008, APRIL 17, 2008, APRIL 21, and MAY 13, 2008

The President asked the Board to consider any additions or corrections to previously unapproved minutes. After review, the Board, upon motion made by Dir. Papp, seconded by Dir. Toll, voted unanimously to approve the March 11, 2008, March 19, 2008, and April 17, 2008 minutes as prepared and further to defer approval of the May 13, 2008 meeting minutes.

REVIEW AND APPROVE TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Ahlschlager was next recognized by the President for discussion of the District's tax matters. Her written report, a copy of which is attached hereto and considered a part hereof, was disseminated to the Board prior to the meeting.

Approval of Report and Payment of Bills from Tax Account

The Tax Assessor/Collector presented checks numbered 2179 through 2182 to the Board for its approval and disbursal.

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 2007 tax collections now stand at 95.89% collected, compared to 84.76% [of 2006 taxes] collected at the same time last year. Ms. Ahlschlager stated that customer notices of the additional penalties incurred on July 1, 2008 for delinquent taxes would be mailed out in the near future. The Tax Assessor/Collector then discussed with the Board the current Perdue, Brandon, *et al* Delinquent Tax Account report, pointing out that account numbered 105-251-000-0025 has been paid in full. It was questioned whether account numbered 0962109 under Sec. I of the Perdue report and account numbered 0329980 under Sec. II were in this District. The Tax Assessor/Collector was asked to check on the matter. After discussion, upon motion duly made and seconded by Dirs. Toll and Papp, respectively, the Board voted unanimously to approve the Tax Assessor/Collector report and pay those checks itemized therein.

CONSIDER AND ACT UPON OPERATOR'S REPORT

President Daniel then recognized Mr. Ammel for the Operator's report for the month of April 2008, copy of which, attached hereto and considered part of, was made available to Directors prior to the meeting. Mr. Ammel reported that the major sanitary sewer repairs are complete, and that only a few minor repairs need to be made, pending yard access. The Operator reported that he continues to build the database on District customers relative to the pilot sprinkling device program. He informed the Board that Source Point's bill to clean the lift station was \$2,600 less than estimated. He presented pictures of the operation. Fire hydrant flow testing, completed earlier this month, proved all to be functional. Minor repairs are underway, he added.

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

Delinquent accounts were presented to the Board for approval of termination, in accordance with the District's Rate Order. There was no customer present to discuss the status of his account. One customer requested reimbursement for the sewage portion of his bill for filling his pool, Mr. Ammel stated. After review of the matter, Dir. Papp moved to authorize reimbursement of the value of 30,000 gallons of sewage to the customer at 4334 Cypresswood Court, for filling his pool. Dir. Toll seconded the motion, which received unanimous support from the Board.

Authorization of Repairs to Water Supply System and Wastewater Collection System

The President recognized Mr. Connelley, who stated that he had received a call in March regarding the pool on Cypresswood, just discussed. After looking into the matter, Mr. Connelley determined that one meter was showing high usage. This customer has both a 2" and 3/4" meter, he added. It appears both meters are covering the same area, he added, and expressed his concern that

the set up could result in a fine for an unauthorized interconnection. The Board asked the Operator to fix the problem and report to the Board upon completion.

Approve Consumer Confidence Report

The Operator then discussed the Consumer Confidence Report with the Board. He explained that he had the data from last year's filing but was awaiting the template from the Texas Commission on Environmental Quality ("TCEQS") before completing and filing the form. After consideration, upon motion duly made by Dir. Papp and seconded by Dir. Toll, the Board unanimously approved the Consumer Confidence Report. Dir. Papp then moved to terminate service to such accounts, in accordance with the District's Rate Order. Dir. Toll seconded, and the Board approved the motion by unanimous vote.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

President Daniel then recognized Mr. Adam for the Engineer's report for the month. His written report, attached to and considered a part of these minutes, was disseminated to Directors prior to the meeting. The Engineer informed the Board that he met with Eric Thiry and Ben Connelley to prepare a prioritization of point repairs and line rehabilitation segments. From that, and upon reviewing historical televised surveys, the Engineer stated he would prepare the list of repairs.

As mentioned last month, Joco, Inc. has been unable to provide insurance certificates on the ground storage tank contract award and has now withdrawn from the project. The Engineer recommended revisiting the issue in the fall.

Authorize Engineer to prepare plans and specifications for District facilities

Mr. Adam then informed the Board that he has received notice from the North Harris County Regional Water Authority ("Authority") that the District has until December 1, 2009 to have its chloramines disinfection plant ready to receive the Authority's water. The Engineer reminded the Board that those plans will have to be done in tandem with Cypresswood Utility District, HCMUD #275, HCMUD #36, HCMUD #28, and Klein MUD, as the District has a blended system. After discussion, Dir. Papp motioned to authorize the Engineer to move forward and do preliminary plans for the chloramines disinfection plant to comply with Authority mandate. Dir. Toll seconded, and the Board voted unanimously in favor of the motion. The Engineer stated that \$2.536 million is the District's portion of the next bond application by the Authority. He reminded the Board that its previous opinion was that it would be more feasible to opt for the "pay as you go" method of funding its portion, rather than making a capital contribution.

Requests for water and sewer service

There were no new 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

This matter was deferred, as there was nothing new to discuss at this time.

Report on emergency generator and take necessary action related thereto

There was no discussion in this regard.

CONSIDER AND ACT ON ATTORNEY'S REPORT

At this time, Mr. Willis was asked to update the Board as to legal matters involving the District. The Attorney was asked to extend to Ms. Parker the Board's condolences for her loss and well wishes for her full and speedy recovery.

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

The Attorney reported to the Board that DbLive is having a problem getting transmissions through Rice University and will now be going through Clear Channel.

Qualification of Directors

The Attorney stated that Directors Shannon and Toll have executed their Oaths of Office and are fully qualified to serve the District. Thereupon Dir. Papp motioned approval of the Directors' qualifications and Oaths of Office. Dir. Toll seconded the motion, which garnered unanimous support from the Board.

Election of Officers

The Attorney stated that normally post election a District determines its slate of officers. Motion by Dir. Papp, seconded by Dir. Daniel, to continue the Board's policy of rotating the Presidency, with the following slate of officers, effective June 1, 2008, to-wit:

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

met with the full Board's approval.

BOOKKEEPER'S REPORT

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

The President then recognized Ms. Schmidt for the Bookkeeper's report for April 2008. A copy of her report, made available to the Board prior to the meeting, is attached as a part of these minutes for all purposes. She stated she still has received no bill from CUD for the District's portion of the emergency generator. Capital improvement to PJPA for the clarifier rehabilitation and faulty valves has been completed. She stated that there should be adequate money in surplus funds to cover the \$21,570 expense. The Board asked to have the matter placed on the May regular meeting agenda. The Bookkeeper then presented the checks for consideration and approval. Then Ms. Schmidt reviewed the monthly Investment report with the Board. After discussion, upon motion duly made, seconded, and unanimously carried, the Board voted unanimously to approve the Bookkeeper's report, Investment report, and payment of the District's bills.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS

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

This matter was deferred.

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

The President then recognized Dir. Papp, who asked to consider the Murr contract for landscaping services. In light of the future plans for the garden, it was agreed that his services would not be needed. After discussion, upon motion duly made by Dir. Papp, seconded by Dir. Toll, the Board approved in unanimity terminating the contract with Mr. Murr, effective June 30, 2008.

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 matter was deferred.

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

Review correspondence addressed to the Board

The Board tabled this matter.

Review correspondence sent by the District

The Board deferred discussion of this item.

Report on meeting of Ponderosa Joint Powers Authority ("PJPA")

No report was given this month.

Report on meeting of North Harris County Regional Water Authority

There was no discussion on this item.

NOTING THERE WERE NO OTHER AGENDA ITEMS TO DISCUSS, Dir. Shannon's motion to adjourn at 6:35 p.m., which motion was duly seconded by Dir. Toll, carried by unanimous vote.

PASSED AND APPROVED

June 16, 2008
Date

T. Gary Toll
Secretary of the Board of Directors