

Hc132-018 min.

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

21 January 2008

STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors of Harris County Water Control and Improvement District No. 132 met in special 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 January 2008, at 10:30 a.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;") Mindy Koehne and 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 and Ryan Fortner 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 meeting was called to order at 5:30 p.m. by President Daniel, who announced all business to appropriately come before the Board at this time would be considered.

REVIEW AND APPROVE MINUTES OF MEETING OF OCTOBER 15, 2007

The President asked the Board to consider any additions or corrections to the minutes of recent Board meetings. After review, the Board, upon motion made by Dir. Mancini, seconded by Dir. Toll, voted unanimously to approve the December 17, 2007 regular meeting minutes and the January 9, 2008 special meeting minutes as prepared.

CONSIDER AND ACT UPON OPERATOR'S REPORT

The President next recognized Mr. Ammel to update the Board regarding operational matters. His report, a copy of which is attached to these minutes as a part hereof, was disseminated to Directors prior to the meeting. The Operator stated that Cliff Management's deposit was applied to their delinquent bill leaving a refund amount of \$527.95. During review of his report, Mr.

Ammel noted that the Regional Water Authority ("Authority") bill now accounts for 18% of the District's Budget.

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

Seventy-eight (78) service accounts to be terminated for cause were presented to the Board. Of note, no customer attended the meeting to discuss his account delinquency. Dir. Papp moved to terminate service to such accounts, in accordance with the District's Rate Order. Dir. Mancini seconded, and the Board voted its unanimous approval.

Authorization of Repairs to Water Supply System and Wastewater Collection System

The Operator informed the Board that lift pump #2 requires repair, and All-Pump quotes a rebuilt model at \$6,150, while a new pump costs \$12,500. The Board upon motion by Dir. Toll and seconded by Dir. Shannon, voted to authorize the Operator to file an insurance claim on the lift pump. Mr. Ammel stated that the #1 lift pump check valve has failed and would cost \$2,242 to replace. The Operator then asked for authorization to install a new air cell at the lift station for \$3,650. He explained that the current air cell prohibits maintenance without putting the lift station out of service. Dir. Mancini moved to authorize expending \$2,242 for the #1 lift pump check valve and \$3,650 for installation of a new air cell at the lift station. Dir. Papp seconded, and the Board affirmed.

REVIEW AND APPROVE TAX ASSESSOR/COLLECTOR'S REPORT

President Daniel then asked Ms. Ahlschlager for the Tax Assessor/Collector's report for December 2007, written copy of which, disseminated to Directors prior to the meeting, is attached hereto as a part hereof.

Approval of Report and Payment of Bills from Tax Account

The Tax Assessor/Collector presented bills numbered 2137 through 2145 from the tax account for consideration and approval by the Board.

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 noted that 35.64% of the 2007 taxes have been paid to date, compared to 32.61% collected this time last year. She then discussed with the Board the Perdue, Brandon, *et al* Delinquent Account report. She informed the Board that account holders Norman Rahman Mohammad and Wendell W. Williams have paid their accounts in full. Upon motion duly made by Dir. Papp, seconded by Dir. Shannon, and unanimously carried, the Board approved the Tax Assessor/Collector's report.

CONSIDER AND ACT ON ATTORNEY'S REPORT

Comments to contract with AEI Engineering, Inc.

Ms. Parker, next called upon by the President, stated that she had reviewed the AEI contract, made changes, including adding an indemnity clause that Mr. Adam approved, and has no further comment to make. Dir. Mancini motioned to approve the amended contract with AEI Engineering, Inc. Dir. Papp seconded, and the Board unanimously approved.

Directors Election

The Attorney then informed Dirs. Shannon and Toll that their terms would expire this spring, and that they should fill out their applications for candidacy if they wished to seek re-election. The deadline for having their names on the ballot is March 10, 2008, and the write-in deadline is March 17, 2008, the Attorney noted.

Pilot Water Conservation Program

Regarding the pilot program for water conservation through installation of a sprinkler system monitoring device, the Attorney stated she had some concern with respect to entering and installing devices on customers' property for the installation process. She suggested that the Board invite DbLive to a meeting to discuss DbLive managing the installation and monitoring of the devices. Dir. Mancini concurred with Ms. Parker's suggestion. The Operator was asked to research certain residential water usage for the program and email the data to Directors. Dir. Mancini was asked to contact Mr. Fairey of DbLive to arrange a special meeting to finalize plans and discuss a contract for the pilot program.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS

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

The President asked Ms. Payne 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. Dir. Mancini felt that joining one of the organizations in which Ms. Carol Baker is involved might avail grant(s) for the project. The Board asked Dir. Papp to work with Ms. Payne to check into the matter.

Discuss landscape garden and take action related thereto

There was no discussion of the landscape garden.

Discuss newsletter and take necessary action related thereto

There was neither discussion nor action taken regarding the newsletter.

Report on status of butterfly vine project and compost project

The butterfly vine project was deferred.

BOOKKEEPER'S REPORT

Ms. Schmidt was then asked to report as to the District's financial situation. Her report, disseminated to and discussed with the Board, is attached to these minutes as a part hereof. She reported that she had written two (2) checks since preparation of her report, for Director AWBD reimbursement and for the District's portion of the joint powers' lift station. CUD owes the District approximately \$15,000 for expenses through the 3rd quarter, and the District paid CUD for its share of the generator expenses, the Bookkeeper noted. Ms. Schmidt stated that the PJPA bookkeeper is getting caught up with the records now. The Bookkeeper disseminated the checks, and after consideration, the Board stated it would withhold release of check number 1300 until certain matters can be cleared up. She then reviewed with the Board the current Investment Report. Dir. Papp motioned approval of the Bookkeeper's report, including payment of the bills presented, and Investment report. Dir. Shannon seconded, and the Board voted unanimously in favor of the motion.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

At this point in the meeting, President Daniel asked for the Engineer's report for the month. The Engineer stated that the District would be able to solicit prices for repairs to the ground storage tank. The Engineer anticipates the price will come in around \$25,000, he stated.

Report on emergency generator and take necessary action related thereto

Mr. Adam stated that CUD is awarding the contract for the emergency generator this evening at their meeting. The Engineer hopes it would be ready by June 2008.

CITING NO FURTHER BUSINESS TO COME BEFORE THE BOARD AT THIS TIME, Dir. Papp's motion to adjourn at 7:15 p.m., duly seconded by Dir. Shannon, carried without dissent.

PASSED AND APPROVED

February 18, 2008
Date
Shannon

Tom Mancini
Secretary of the Board of Directors