

Doug M...N

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

17 August 2009

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 17th day of August 2009, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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

All members of the Board were present, thus constituting a quorum. Also present were Jay Hartley and Doug Goodwin, master landscapists; Maria Parker of Coats, Rose, Yale, Ryman & Lee, P.C., the District's Attorneys ("Attorney;") Tom Matkin 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 Mancini called the meeting to order at 5:35 p.m., and the following business was transacted.

The President recognized Dir. Papp, who moved to interrupt the agenda order to discuss landscaping matters related to the HC WCID#132 Water Conservation, Demonstration and Research Center. Dir. Daniel seconded, upon which the Board voted its unanimous consent.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS

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

The President recognized Dir. Papp, who informed the Board that he had, several weeks previously, attended a seminar put on by Barbara Payne and Water Lily Press. He said that a focus group [Houston Gulf Coast Irrigation Association] is being put together to conserve water. Some members of the group will come up with an irrigation checklist with a licensed irrigator. When homeowners sign on, they will get this irrigation service to work for them. Participating contractors will have to be properly trained so that everyone 'is on the same page,' he added. They have set a goal of putting the program into place on October 1, 2009. It is anticipated that there will be no cost to the homeowners to participate. The program is adaptable for MUDs, cities, etc., the Director stated. Dir. Mancini stated that the timing is perfect, given the new laws just passed and the new

North Harris County Regional Water Authority ("Authority") fees that take effect January 1, 2010. Mr. Al Rendl, Director of the Authority, would like to have both drip and standard irrigation methods covered by the program, Dir. Papp noted. There will be another seminar held in October, Dir. Papp noted.

The Board then discussed the types of irrigation that would be utilized and demonstrated in the garden area. Mr. Goodwin stated that there would be five (5) types of irrigation in the garden. Dir. Toll asked if there could be a way for visitors to activate one of the water scenarios when no one else was present. The landscapists agreed to check into the matter.

Dir. Papp motioned to return to the order of the day. Dir. Toll seconded, and the Board voted its unanimous approval.

REPORT ON DBLIVE PROGRAM AND AUTHORIZE ACTION RELATED THERETO

The President recognized the Attorney, who stated she had the contracts for signature. She informed the Board that DbLive had agreed to the change in the indemnity clause, thus she recommended the contract's execution.

REVIEW AND APPROVE MINUTES OF MEETINGS OF MAY 6, 2009, JUNE 3, 2009, JUNE 15, 2009, JULY 1, 2009, JULY 20, 2009, JULY 30, 2009, AND AUGUST 5, 2009

The President asked that the Board consider approving minutes of the cited meetings. Dir. Papp motioned to approve the minutes of the July 30, 2009 meeting as prepared. Dir. Toll seconded, and the Board affirmed. Dir. Papp then moved to approve the minutes of the July 20, 2009 meeting, as prepared. Dir. Daniel seconded, and the Board gave its unanimous approval. Then Dir. Toll moved to approve the June 15, 2009 minutes as written. After Dir. Daniel's second, the Board approved by unanimous vote. Approval of other minutes was deferred at this time.

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

Approval of Report and Payment of Bills from Tax Account:

Next recognized by the President was Ms. Ahlschlager, whose Tax Assessor/Collector report, copy of which is attached hereto and considered a part hereof for all purposes, was made available to Directors prior to the meeting. She presented checks for consideration and approval at this time. After discussion, upon motion duly made and seconded, the question being put to the Board, the Board voted in accord to approve the Tax Assessor/Collector report.

Report on Status Of Tax Collections, Authorize Termination Of Water Service To Delinquent Tax Accounts, Authorize Tax Assessor/Collector To Move Uncollectible Delinquent Personal Property Accounts To Uncollectible Tax Roll, And Authorize Filing Of Suit To Foreclose Tax Lien On Delinquent Accounts:

Ms. Ahlschlager noted that Robert K. Owens asserts that the account in question is not his. The Tax Assessor/Collector stated she would inform the Operator to hang doorknockers to notify customers of service termination for nonpayment of bill. She stated she would advise Perdue, Brandon, *et al* of such action authorized by the Board.

The Tax Assessor/Collector told the Board that the certified tax rolls could be ready by month's end. If so, the net effective tax rate calculation could then be considered at, and published after, the next meeting. Thereafter, hearings and certain publications of notices would be required pursuant to law before meeting to set the tax rate.

BOOKKEEPER'S REPORT

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

Ms. Schmidt, next recognized by the President for discussion of the District's financial status, presented the Bookkeeper's report, made available to the Directors prior to the meeting, and attached to, as a part of, these minutes. She presented bills in payment of invoices received during the month, for approval for signature.

Dir. Daniel asked about the Budget with respect to the expenditures to date on the garden. The Bookkeeper showed the several categories that contain expenditures for the garden. The Board did not feel that the matter was a problem at this point. Dir. Papp stated that recent seminars have been valuable, as they have provided access to a number of experts in the landscaping field.

Dir. Toll moved to approve the Bookkeeper's report and Investment report as presented. Dir. Daniel seconded the motion, which received unanimous support from the Board.

CONSIDER AND ACT UPON OPERATOR'S REPORT

The President then recognized Mr. Ammel, who reviewed with the Board the Operator's report for the month, a copy of which is attached hereto and considered a part hereof for all purposes. The Operator reported that the 6" line and hydrant on the west side of Kuykendahl were relocated to the 'short' side of the street. He pointed out the extremely high water consumption in the District due to the hot, dry summer. The billed-to-pumped ratio for the month was noted to be 96.1%, and for the year, 90.2%. Mr. Ammel stated that he had placed a flow meter at the Mantana plant, and therefore the monthly usage was calculated.

The Board discussed with the Operator the amendments to the Rate Order, specifically the times when customers may only hand water their yards. The Operator was asked to have framed signs made, advising customers of the new rules, but withhold placing them until further notice.

Authorization of Repairs to Water Supply System and Wastewater Collection System

There were no additional repair items presented to the Board.

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

Eighty-five (85) accounts slated for termination were presented to the Board. No customer attended the meeting to discuss the status of his delinquent account, it was noted. Dir. Papp 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.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

At this time, the Board considered writing off certain the uncollectible delinquent accounts. After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board voted unanimously to move the delinquent accounts identified by the Operator to the uncollectible roll.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

President Mancini then recognized Mr. Matkin for the Engineer's report, a copy of which is attached hereto and considered a part of these minutes. The Engineer, noting that point repairs for the sanitary sewer project had been turned over to the Operator, reminded the Board that such repairs would have to be completed before the overall lining project could begin.

The Engineer informed the Board that his discussion with a Central City Air representative at the meeting site on July 29, 2009 indicated that it might be feasible to re-route the drain lines on the west side of the building to the rain barrels on the north side. The Board reviewed the photographs provided by the Engineer and discussed the matter further.

Authorize Engineer to prepare plans and specifications for District facilities

The Engineer informed the Board that bids for the Chloramine Conversion project had been received on July 21, 2009, with Nunn Constructors, LLC being the low bidder at \$418,100. Contract documents, bonds and insurance verification were all in place by August 14, 2009, the Engineer reported. The Engineer expects that a pre-construction conference would be held in about two weeks' time, post Cypresswood Utility District ("CUD") Board's execution of the contract.

Requests for water and sewer service

There were no new requests for 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 item was deferred, as there were no pay estimates or change orders to consider.

Report on emergency generator and take necessary action related thereto

Mr. Matkin informed the Board that he is working with the manufacturer of the lift station generator to obtain a bi-fuel conversion proposal. The Engineer did state that a recent conversion in another district's water plant generator had less than desired fuel savings, and there were issues related to engine surge under low loads. The Board discussed the generator statistics from Hurricane Ike usage. Mr. Matkin presented Wartsila North America, Inc.'s quote to provide a bi-fuel conversion kit and install on a time and material basis, for a cost of \$14,847. The President was asked to obtain information on the PJPA tank for the Board's further consideration of the matter.

ATTORNEY'S REPORT

Discuss Emergency Preparedness Plan

The President recognized Ms. Parker, who reviewed with the Board some of the requirements for MUDs pursuant to the emergency preparedness legislation. The Texas Commission on Environmental Quality ("TCEQ") has yet to provide its template for the Phase I and Phase II compliance, she noted.

Approve contract with collection agency

The Operator discussed with the Board the particulars related to contracting with NCO of Transworld Systems, Inc. to perform the District's delinquent accounts collection. There is a flat fee of \$749.50 to handle up to 50 accounts, Mr. Ammel informed the Board. The District's past due accounts total \$16,488, with deposits on those accounts of \$9,000, the Operator added. Noting that only two (2) accounts were actually terminated for nonpayment last month, Mr. Ammel was unsure how valuable a collection agency would be for this District. No action was taken.

Legislative Update

The Board deferred discussion of this matter.

Approve Updated Application for Service

The Board determined that it would first discuss any changes related to the Application for Service in greater detail with Mr. Ammel before proceeding.

Approve Resolution Regarding Annual Review of Investment Policy

The Attorney noted that the Board is required to revisit its Investment Policy annually. After discussion, Dir. Papp motioned to affirm the Board's existing Investment Policy. Dir. Daniel seconded the motion, which garnered unanimous support from the Board.

Approve Resolution Regarding Homeland Security

Attorney Ms. Parker informed the Board that it is required to comply with law for reporting certain security threats. After discussion, upon motion duly made and seconded by Dirs. Papp and Daniel, respectively, the Board voted unanimously to adopt the Resolution regarding Homeland Security as presented by the Attorney.

Approve Unclaimed Property Report

Absent an Escheatment Report from the Bookkeeper at this time, this matter was deferred until later in the fall.

Discuss tax levy for 2009 and call public hearing

Noting that the certified rolls were not yet released by Harris County Central Appraisal District ("HCAD") and were thus unavailable for review, discussion regarding the tax levy and hearings related thereto was deferred.

Approve Resolution Nominating Candidate to Harris County Appraisal Review Board

The Attorney stated that she would get further information from Ms. Ahlschlager regarding the candidates for the Harris County Appraisal Review Board and report back to the Board.

Review letter from Division of Emergency Management and take action related thereto

The Attorney discussed the letter from the Division of Emergency Management with the Board, and the determination was made to have Mr. Ammel gather more information about the matter.

Approve Amended Rate Order

The Board next considered amending the Rate Order to further water conservation in the District. Dir. Papp moved to amend the Rate Order to allow only hand watering of yards during the hours of 10 a.m. until 6 p.m. from May 1 to October 3. Dir. Toll seconded the motion, which received unanimous support from the Board.

The President stated that he would talk with Ms. Payne to have educational material provided to customers to explain the reasons behind the daytime restriction of irrigation systems. The Board also asked to have the District's website added to customer bills, as well as the newsletters, to better inform customers.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS, cont.

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

The President recognized Dir. Toll, who stated that he would like to see the team of Gary Clark and Kathy Adams Clark, photographers for the Texas Parks & Wildlife magazine, photograph the HC WCID #132 Water Conservation, Demonstration and Research Center, its progress and completion, and do an article for the periodical. No action was taken.

Discuss newsletter and take necessary action related thereto

In Ms. Payne's absence, this matter was deferred.

Report on status of butterfly vine project and compost project

The Engineer was recognized to discuss proposed trail improvements near the easement. After the District received and executed Copano's Consent to Encroachment documents, Mr. Matkin sent them to CenterPoint Energy for review on August 10, 2009.

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

Review correspondence addressed to the Board

There was no correspondence to consider.

Review correspondence sent by the District

There was no correspondence sent by the District this month.

Joint Powers Authority ("PJPA")

The President reported as to certain activities at the PJPA monthly meeting. He reported that, after numerous letters sent by the member districts and the PJPA board, the County finally made erosion repairs to the outfalls at the Creek.

Report on meeting of North Harris County Regional Water Authority

The President recognized Dir. Daniel, who stated that the next Authority meeting would be held on September 14, 2009, due to the Labor Day Holiday.

NOTING THERE WERE NO OTHER AGENDA ITEMS TO DISCUSS, Dir. Daniel's motion to adjourn at 7:58 p.m., which motion was duly seconded by Dir. Papp, carried by unanimous vote.

PASSED AND APPROVED

September 21, 2009
Date



Bill Papp
Secretary of the Board of Directors