

HC 132 Orig. MIN.

HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 132

16 March 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 16<sup>th</sup> day of March 2009, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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

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

Also present were Maria S. 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 in accordance with law at 5:35 p.m. and welcomed all guests present.

**REVIEW AND APPROVE MINUTES OF MEETINGS OF FEBRUARY 16, 2009 AND MARCH 4, 2009**

The Board first considered review and approval of prior minutes. Upon motion duly made and seconded by Dirs. Papp and Daniel, respectively, the Board voted unanimously to approve the minutes of the February 16, 2009 meeting and table the minutes of the March 4, 2009 meeting.

**APPROVE AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2008**

The President recognized Dir. Papp, who motioned to table the Audit at this time. Dir. Toll seconded, after which the Board voted its unanimous consent.

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

**Approval of Report and Payment of Bills from Tax Account:**

The Tax Assessor/Collector, recognized next by the President for consideration of the District's tax matters, reviewed with the Board her monthly tax report, disseminated to the Board prior to the meeting. In such report was the list of bills being presented for approval of payment at this time.

**Report on status of tax collections, authorize termination of water service to delinquent tax accounts and authorizing filing of suit to foreclose tax lien on delinquent accounts.**

Ms. Ahlschlager informed the Board that 83.85% of the 2008 taxes have been collected at this time. This is slightly behind last year's collections of 92.25%, she noted. She then discussed the Perdue Brandon, *et al* report on delinquent taxes. The VR Ravinia, LP and Denise Pitts accounts have now been paid in full, the Tax Assessor/Collector informed the Board. Mr. East at Perdue Brandon *et al* is now checking on personal property accounts, as directed by the Board at the February Board meeting, she noted. After discussion, upon motion duly made and seconded by Dirs. Papp and Mancini, respectively, the Board voted unanimously to approve the Tax Assessor/Collector report as presented.

Dir. Papp moved to alter the agenda order to consider the Operator's report. Upon Dir. Daniel's second, the Board voted its unanimous consent.

**CONSIDER AND ACT UPON OPERATOR'S REPORT**

President Shannon then recognized Mr. Ammel for the Operator's report for February 2009, a copy of which, disseminated to Directors before the meeting, is attached hereto as a part hereof. The lift station wet well cleaning was done by Source Point on February 12, 2009, the Operator stated. Fire hydrant flow testing is scheduled to be undertaken during the week of April 13, 2009, Mr. Ammel stated, and residents will be duly informed. Mr. Ammel reported the District's accountability at 88% for the month and 90% for the year. He stated that he had solicited leak detection proposals, receiving two responses, but he felt the quotes were high.

**Authorization of Repairs to Water Supply System and Wastewater Collection System**

The Operator informed the Board of the progress made on the meter replacement project: 18 meters registering greater than 1,000,000, at a cost of \$1,433.22. Two (2) of the point repairs from the sewer line rehabilitation project have been completed, the Operator reported.

Mr. Ammel reported that the elevated storage tank is offline for inspection, which indicated cathodic plates were missing. Experts will inspect the cathode protection system and make recommendations to the Operator, he informed the Board. The Board wished to discuss the value of cathodic protection at the next Joint Facilities meeting, it was noted.

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

Seventy (70) service accounts are identified within the Operator's report for termination for

cause. 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. No accounts were disconnected last month for nonpayment of bill, the Operator informed the Board.

## **CONSIDER AND ACT ON ENGINEER'S REPORT**

### **Review repair and maintenance projects within the District**

President Shannon called upon Mr. Adam for his Engineer's report, disseminated to the Board prior to the meeting and attached to these minutes as a part hereof. The Engineer commented that most districts do not employ cathodic protection. In the past, he added, the Operator had had the cathodic protection turned off during repainting. He stated that he would have CorPro out to inspect the system after Swain inspects the interior of the tank.

The Engineer shared with the Board the blueprints of the water conservation garden trail envisioned by the Board. The Engineer reported that the contractor [Utility Services Co.] should move on-site to make repairs to the ground storage tank after repairs on the elevated storage tank are complete.

### **Authorize Engineer to prepare plans and specifications for District facilities**

The chloramines conversion plant plans are undergoing agency review at this time, the Engineer stated. After approval, bid documents will be made available to the CUD engineer for bidding with their project.

The Board then asked about the Drought Contingency Plan ("DCP,") expressing concern that odd/even day conservation plans are not conserving water. The Board felt that the same DCP should be employed by CUD and the District, since they form a blended district. It was agreed to discuss this matter at the next Joint Facilities meeting with CUD.

### **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**

There was nothing new to discuss at this time.

### **Report on emergency generator and take necessary action related thereto**

Mr. Adam then informed the Board that he prepared a memorandum, included with his report, concerning the status of the FEMA grant application process. He further stated that Camp Dresser McKee ("Dresser") has been hired by Harris County to prepare a database of districts'

critical infrastructure. The Engineer stated that his firm was contacted by Dresser to provide information on certain of the District facilities. Regarding the FEMA or ORCA grant, the Engineer stated that the District would need a letter from Harris County recommending such grant. Dir. Papp motioned approval of the Engineer's report. Dir. Toll seconded the motion, which garnered unanimous support from the Board.

Dir. Papp moved to return to the normal agenda order. Dir. Daniel seconded, and the Board approved by unanimous vote.

### **BOOKKEEPER'S REPORT**

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

Ms. Schmidt was then called upon by the President for the Bookkeeper's report for the month of February 2009, copy of which report, routed to Directors prior to the meeting, is attached hereto as a part of these minutes. The Bookkeeper stated that she had written one (1) additional check since sending out her report. Several months ago, a refund was issued to Generex, but the check has never cleared the bank, she reported. The Attorney wished to clarify the owner's identification, so that the refund is mailed to the intended party. Dir. Papp moved to approve refunding the Generex check to Richard Geisner upon verification by the Attorney of his proof of ownership. Dir. Toll seconded the motion, which received unanimous support from the Board. The emergency generator payments are complete, she noted. Dir. Papp questioned the Texas Network bill. The Bookkeeper agreed to verify the information before releasing the check.

The Bookkeeper stated that the Joint Facilities financial matters are all up to date. The emergency generator payments are complete, she noted.

The Board then reviewed the current Investment report with the Bookkeeper. Ms. Schmidt expressed concern about investments at Texas Class. She stated that certificates of deposit ("CDs") were certainly less risky for the District. After discussion, upon motion duly made and seconded by Dirs. Mancini and Toll, respectively, the Board voted unanimously to authorize the Bookkeeper to withdraw all or most of its funds in Texas Class and invest said funds in CDs at various banking institutions.

After discussion, upon motion duly made by Dir. Papp, seconded by Dir. Daniel, the Board approved the Bookkeeper's report, payment of the bills, and Investment report.

### **ATTORNEY'S REPORT**

#### **Approve Identify Theft Prevention Program**

The President recognized the Attorney, who informed the Board that there are new regulations regarding Identity Theft for MUD districts. By May 1, 2009 all districts must have in place a policy outlining the procedure for dealing with identity theft, she noted. The Operator and

Tax Assessor/Collector must read and approve such policy and procedure adopted by the Board.

**Approve Expense Policy and Approve Amending Policy**

President Shannon asked the Attorney to continue. She stated that she would forward the existing policy, which reimburses Directors for attending AWBD and other water seminars, including airfare, car rental, and other expenses, to the Board for review.

**Approve Contract with Head, Inc.**

The Attorney informed the Board that Ms. Fraser had forwarded to her the contracts, which have now been reviewed.

**CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS**

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

There was no discussion pertaining to the website.

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

The President recognized Dir. Papp, who stated the he had spoken with Ms. Fraser, who advised him that the District needs to have a pressurized water system for the Goodwin's sprinkler system. It probably should be stubbed out for the sprinkler system with a hose bib, Dir. Papp added. The Engineer was asked to tell Ms. Fraser that there would be a 12" water pipe across the easement. The District also would like to have the Goodwin sprinkler plans, Dir. Papp added.

Dir. Toll shared with the Board renderings of first flush filter options, with and without leaf screen, to capture rainwater. Pres Shannon then informed the Board he had priced a flagpole for the garden, priced at \$699 with free shipping. Considering intense winds is important in managing the pole, chain and flag, it was noted. The Board discussed having two flagpoles, one for the Texas flag, and the other for the US flag. Dir. Toll motioned approval of the purchase of two (2) flagpoles and additional funds to have both installed and lighted, at a sum not to exceed \$2,500. Dir. Papp seconded, and the Board voted unanimously in favor of the motion.

**Discuss newsletter and take necessary action related thereto**

There was no discussion of the newsletter.

**Report on status of butterfly vine project and compost project**

There was no additional discussion of the butterfly vine.

**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 to address.

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

The President called upon Dir. Mancini, who stated that the FEMA grant related to Hurricane Ike came through for PJPA. Reimbursement is expected in April 2009, he added.

**Report on meeting of North Harris County Regional Water Authority**

Dir. Daniel, when recognized, stated that there was nothing outstanding to report, just general discussion and information.

The Board asked the recording secretary to enroll Dirs. Shannon, Daniel and Papp at the April 1, 2009 AWBD breakfast meeting at Greenspoint.

ABSENT ANY FURTHER BUSINESS TO CONDUCT AT THIS TIME, the President asked for a motion to adjourn. Dir. Papp's motion, seconded by Dir. Daniel, to adjourn the meeting at 7:07 p.m., carried by common consent.

PASSED AND APPROVED

*April 28, 2009*  
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Date

*T. Gary Toll*  
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T. Gary Toll

Secretary of the Board of Directors