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HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 132

20 April 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 20<sup>th</sup> day of April 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, except Dir. Shannon, thus constituting a quorum. The Attorney noted that, as of April 16, 2009, Dir. Shannon, who moved outside the District, is no longer qualified to serve as a Director.

Also present were Noel Barfoot of McCall, Gibson & Company, PLLC, the District's Auditor ("Auditor;") Carol Fraser with Head, Inc., Special Landscape Consultant to the District; 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 meeting was called to order at 5:30 p.m. by Vice President Thomas Mancini, who announced all business to appropriately come before the Board at this time would be considered.

**REVIEW AND APPROVE MINUTES OF MEETINGS OF MARCH 4, 2009, MARCH 16, 2009, and MARCH 24, 2009**

The Vice President asked the Board to consider any additions or corrections to the cited minutes. After review, the Board, upon motion made by Dir. Papp, seconded by Dir. Toll, voted unanimously to approve the March 4, 2009 minutes as prepared. Dir. Toll then moved to approve the March 16, 2009 minutes as written. With Dir. Papp's second, the Board unanimously approved the motion. Dir. Papp then motioned approval of the March 24, 2009 minutes. After Dir. Toll's second, the Board unanimously affirmed.

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

Vice President Mancini recognized Mr. Barfoot, who informed the Board that his firm has issued an unqualified opinion with respect to the District's 2008 Fiscal Year Audit. During review of the Audit Report, Mr. Barfoot stated that the primary financial outlay last year was the purchase of the emergency generator. The District shows a five-year history of increasing its fund balances, the Auditor stated. After consideration, the Board approved the Audit Report as presented, motion having been made by Dir. Daniel, seconded by Dir. Papp, and unanimously carried.

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

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

The President next asked Ms. Ahlschlager to review with the Board the current Tax Assessor/Collector report, disseminated to the Board prior to the meeting, and attached hereto as a part of these minutes. During discussion of the report, the Tax Assessor/Collector presented the monthly checks for approval and signature.

After discussion, upon motion duly made by Dir. Daniel, seconded by Dir. Papp, and unanimously carried, the Board approved the Tax Assessor/Collector report and payment of the bills itemized therein.

**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.**

The Tax Assessor/Collector, referring to her report, showed the Board that 95.04% of the 2008 taxes has been collected thus far, which favorably compares with the 92.67% of 2007 taxes collected at the same tax last year. The Board asked Ms. Ahlschlager to contact Mr. East at Perdue Brandon *et al* for a discussion of certain real property tax delinquencies.

**BOOKKEEPER'S REPORT**

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

The Vice President then asked Ms. Schmidt to present the Bookkeeper's report for March 2009, copy of which, disseminated to the Board prior to the meeting, is attached hereto and considered a part of these minutes. The Bookkeeper informed the Board that, since preparation of her report, she had written an additional check to AEI, overlooked last month. She also noted that the Ponderosa Joint Powers Authority ("PJPA") bill had just been received today. The District received an \$8,000 credit on the first quarterly billing from PJPA, as an error was caught during the PJPA audit. PJPA had also received a \$24,000 payment from FEMA for Ike-damaged property. The Bookkeeper stated that she had sent out the first-quarter billing today for the joint facilities.

Then Ms. Schmidt reviewed with the Board the current Investment report. The Bookkeeper stated she discovered an error in the January Investment report and has therefore made corrections to the January through March reports. She informed the Board that she maintains more detailed records of the District's certificates of deposit ("CDs") in her office, should the Board wish to give the matter further review.

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 approve the Investment Report, Bookkeeper's Report, and payment of the bills presented in connection therewith.

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

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

Vice President Mancini then recognized Mr. Adam for the Engineer's report for the March 2009, attached hereto and considered a part hereof. Mr. Adam reported that the recent well test was, for the most part, very good news. However, blistering and pitting of both ground storage tank walls was noted, though worse on the green tank, he informed the Board. The Operator stated that the previous well work had been undertaken in 2000. The Engineer obtained prices to repair the existing tanks from Utility Services Co. that totaled \$42,100. He also obtained from Schler Construction prices for tank replacement, primarily for budgetary purposes, \$145,000 for galvanized and \$170,000 for powder coated tanks. The Engineer advised more frequent inspections of the tanks, notably every three (3) years, to be more pro-active. He stated that he would ask the Operator to check the iron components for the water in both tanks. He favored repair of the tanks, by blasting the tank interior walls and applying 100% solid epoxy of 20 mils thick to the tank walls. Dir. Papp motioned to approve the repair of the tanks by Utility Services Co., as noted hereinabove. Dir. Toll seconded, after which the Board voted its unanimous consent. The Engineer was asked to notify CUD of the tank repairs.

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

The Texas Commission on Environmental Quality ("TCEQ") has approved the Chloramines Conversion plant design, the Operator informed the Board.

The Engineer informed the Board that, pursuant to a meeting with Ms. Fraser and Ms. Payne, he has revised the site plan to reflect the proposed trail revisions.

### **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**

There was no discussion of this item.

After discussion, upon motion duly made and seconded by Dirs. Papp and Daniel, respectively, the question being put to the Board, the Board voted in accord to suspend the agenda order to recognize Ms. Fraser.

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

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

There was nothing new to report in this regard.

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

The Vice President called upon Ms. Fraser for a garden update. Ms. Fraser had taken pictures of the inside of the rank collection tank. After discussion, the Board felt the water level of the barrel should be raised. The pathway will be installed the end of May, or early June, after receipt of Mr. Goodwin's design, it was noted.

Ms. Fraser reviewed with the Board her chronology of plans for the garden's ground cover, arbor, map, compost area, and pathway, copy of which written report is attached hereto and considered a part hereof for all purposes.

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

Dir. Papp stated that he would contact Ms. Payne in order that she might address the widespread sprinkler run-off within the District in the next newsletter.

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

There was no additional discussion of the butterfly vine.

Upon Dir.'s Papp motion, and following Dir. Daniel's second, the Board approved returning to the order of the day.

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

The Vice President then called upon Mr. Ammel, who disseminated to and reviewed with the Board the Operator's Report for April. A copy of said Report is attached to, and considered a part of, these minutes. The Operator reminded the Board that at the most recent Joint Facilities meeting with Cypresswood Utility District ("CUD"), the two (2) boards discussed reviewing the Drought

Contingency Plan of each District to change the staging points and have CUD's drought schedule coincide with the District's. Flow testing of the District's fire hydrants was undertaken on April 17, Mr. Ammel informed the Board, resulting in the need for only a few minor repairs.

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

The Operator reported that 13 meters registering excessive use were replaced at a cost of \$13,435.21 during the month. Three (3) more point repairs from the sewer line rehabilitation project were completed during March, bringing the total to five (5), the Operator reported.

A significant leak in CUD's portion of the blended system was detected during Samco's work on April 16. The major leak has since been repaired, Mr. Ammel stated, and he continues to work on a number of small leaks.

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

Mr. Ammel informed the Board that two (2) accounts listed among last month's termination accounts were disconnected. The Operator then presented the service accounts slated for termination this month, in accordance with the specifications in the District's Rate Order. There was no customer present to discuss his/her account delinquency, it was noted. After review, Dir. Papp's motion to approve the 66 terminations presented by the Operator, duly seconded by Dir. Toll, carried unanimously. The Operator was asked to review the accounts to determine whether certain accounts should be written off.

#### **ATTORNEY'S REPORT**

Vice President Mancini then recognized the Attorney, who discussed the District's obtaining a Special Partnership Agreement ("SPA") with the City of Houston ("City"). She stated that she would offer the District's application for a SPA agreement when the City next undertakes consideration of the matter.

#### **Approve Reimbursement Policy and Approve Amending Policy**

The Attorney reviewed with the Board the existing policy, which reimburses Directors for expenses related to attending AWBD seminars. The Board asked to have verbiage added to clarify that reimbursement would be made for all water-related seminars and events. Dir. Papp moved to approve amending the Reimbursement Policy as discussed. Dir. Toll seconded, and the Board affirmed.

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

The Attorney noted that the Board had discussed the particulars relating to adopting an Identity Theft program last month. After review, Dir. Papp motioned approval of the Identity Theft

program as discussed. Dir. Toll seconded the motion, which garnered unanimous support from the Board.

**Approve Consumer Confidence Report**

The Operator informed the Board that he is still waiting on the template from the TCEQ to finalize the District's 2008 Consumer Confidence Report. The late timing will require him to rush printing in order to comply with the mandated delivery deadline of July 1, 2009, he informed the Board. After discussion, upon motion duly made and seconded by Dirs. Papp and Daniel, respectively, the Board voted unanimously to approve for completion, filing and District-wide dissemination, the Consumer Confidence Report as presented.

**Discuss Emergency Preparedness Plan**

The Attorney stated that this matter would be considered at a later time.

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

**Review correspondence addressed to the Board**

There was no correspondence received during March, it was noted.

**Review correspondence sent by the District**

There was no correspondence sent by the District during the intervening month.

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

There was no discussion of PJPA.

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

The President reported that he had spoken with Ms. Payne regarding the newsletter. She informed him that she would lead with the teaching garden article. Dir. Daniel departed the meeting at 7:44 p.m.

NOTING THERE WERE NO OTHER AGENDA ITEMS TO DISCUSS, Director Toll's motion to adjourn at 7:52 p.m., which motion was duly seconded by Director Papp, carried by unanimous vote.

PASSED AND APPROVED

May 18, 2009  
Date

T. Gary Toll  
T. Gary Toll  
Secretary of the Board of Directors