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HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

18 May 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 18th day of May 2009, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

- | | |
|---------------------|---------------------|
| Vacancy | |
| 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 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;") Andy Phelps 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.")

Vice President Mancini called the meeting of the Board of Directors to order at 5:34 p.m., and the following business was transacted.

REVIEW AND APPROVE MINUTES OF MEETINGS OF APRIL 20, 2009 AND MAY 6, 2009

The Vice President asked that the approval of past minutes be given first consideration. After review, upon motion made by Dir. Papp, seconded by Dir. Toll, the Board voted unanimously to approve the minutes of the April 20, 2009 meeting as written. Dir. Papp stated that he would prepare minutes for the May 5, 2009 meeting.

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

Approval of Report and Payment of Bills from Tax Account:

Ms. Ahlschlager was next recognized by the Vice President for discussion of the District's tax matters. The Tax Assessor/Collector's report, made available to the Board prior to the meeting, and attached hereto as a part of these minutes, contained an itemized list of checks written for approval at this time.

After review, Dir. Papp's motion, seconded by Dir. Toll, to approve the Tax Assessor/Collector's report as presented, received unanimous consent by the Board.

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 informed the Board that 2008 taxes are now 96.49%, compared to the 2007 tax collections of 93.51% at this same time last year.

BOOKKEEPER'S REPORT

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

The Vice President then recognized Ms. Schmidt for the April 2009 Bookkeeper's report, a copy of which, disseminated to the Board before the meeting, is attached hereto as a part hereof. The Bookkeeper stated that there was nothing unusual to report this month. She then reviewed with the Board the bills to be approved for disbursal, after which, she discussed with the Board the Investment report. When questioned, the Bookkeeper stated that there was still a small sum of money in the Texas Class pool. Upon motion duly made by Dir. Papp, seconded by Dir. Toll, and unanimously carried, the Board approved the Bookkeeper and Investment reports.

CONSIDER AND ACT UPON OPERATOR'S REPORT

The Vice President next recognized Mr. Phelps, who disseminated to and reviewed with the Board the Operator's Report, a copy of which Report is attached to, and considered a part of, these minutes. The Operator stated that April had been a fairly straightforward month. He reported that 1) the fire hydrant flow testing had been completed; 2) that the billed-to-pumped ratio, though still down, has improved; 3) that the leak found at the Cypress Villas Apartment area had been repaired; 4) and that certain sanitary sewer point repairs had been made.

Authorization of Repairs to Water Supply System and Wastewater Collection System

The Operator informed the Board that 3 meters had been replaced, in accordance with the ongoing program of replacing meters with readings in excess of 1,000,000.

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

The Operator presented the list of accounts slated for termination, 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. Toll's motion to approve the seventy-two (72) terminations presented by the Operator, duly seconded by Dir. Daniel, carried unanimously.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

The Operator was asked to review the delinquent accounts recommended for write-off at this time. During discussion, Directors felt that it would be appropriate to turn over these accounts to a collection agency, and so instructed the Operator.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

The Vice President recognized Mr. Adam, who discussed the repair and coating processes to be applied to both ground storage tanks. The costs were addressed under change orders below.

Authorize Engineer to prepare plans and specifications for District facilities

The Engineer informed the Board that the approved Chloramine Conversion plans were forwarded to Cypresswood Utility District ("CUD") for bidding with their project.

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

The Engineer then discussed with the Board the change orders relating to the ground storage tank modifications. Change Order No. 1, in the amount of \$42,600, reflected charges for blasting and applying a coat of Tnemec 22 Series to 20 mils thick to the East and West ground storage tanks and removing sediment from each tank. Change Order No. 2, in the amount of \$1,500, covered repair and patch of 15 holes uncovered during the blasting operation of the cited tanks. After consideration, upon motion duly made by Dir. Papp and seconded by Dir. Daniel, the Board unanimously approved the change orders to the ground storage tank project.

Report on emergency generator and take necessary action related thereto

There was no discussion of this item.

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 with respect to the website.

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

The Vice President called upon Dir. Papp, who informed the Board that Tom Tynan's website (homeshowonline.com) would be carrying small videos of progress being made in the District's Demonstration Garden. Dir. Papp stated that he is trying to get Mr. Tynan to appear at one of the Garden's events in the future. Additionally Dir. Papp informed the Board that there is currently no estimate as to the cost of the new signage for the Garden.

The Board wished Ms. Payne to determine how many individuals currently in the District are on dialysis.

Discuss newsletter and take necessary action related thereto

This matter was not discussed.

Report on status of butterfly vine project and compost project

The Vice President then called upon the Engineer, who explained to the Board that he had met with Ms. Fraser several times since the last meeting but did not talk with the irrigation people. He told Centerpoint® that the District would be installing a 2" diameter pipe in the easement.

ATTORNEY'S REPORT

Discuss Emergency Preparedness Plan

Vice President Mancini then recognized Mr. Willis, who discussed the Emergency Preparedness Plan with the Board. The Attorney stated that for this District, preparedness would probably include stocking spare parts, like hoses, as well as fuel, for the generator, prior to a hurricane in the Gulf of Mexico. The Board discussed fuel for the generator and asked the Engineer and Operator to confer on the matter to make recommendations to the Board. No action was taken.

Letter Agreement with CUD for Chloramine Project

The Attorney then discussed with the Board the sharing of expenses related to the Chloramine Project. Per the existing contract with CUD, Mr. Willis stated, capital project costs are shared 50/50 with the District, and the Letter Agreement attests that apportionment. Dir. Papp moved to approve the Letter Agreement to CUD as discussed. Dir. Toll seconded the motion, which received unanimous support from the Board.

Reconstitute the Board

After discussion, upon motion duly made and seconded by Dirs. Papp and Daniel, respectively, the Board voted unanimously to reconstitute the Board as follows:

President Tom Mancini
Vice President T. Gary Toll
Secretary Bill Papp
Assistant Secretary Bob Daniel
Vacancy

Dir. Papp motioned approval of the Attorney's report. Dir. Daniel seconded, and the Board voted unanimously in favor of the motion.

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 during April, the Vice President noted.

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

There was no PJPA report offered.

Report on meeting of North Harris County Regional Water Authority

There was no discussion of this item.

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 6:40 p.m., carried by common consent.

PASSED AND APPROVED

June 15, 2009
Date

Bill Papp

Bill Papp
Secretary of the Board of Directors