

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

15 June 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 15th day of June 2009, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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

All members of the Board were present, thus constituting a quorum. Also present were Messrs. Tom Fairey, Chris Eckhoff and Tom Gahagan of DBLive; Doug Goodwin, master landscapist; Barbara Payne of Payne Communications, the District's media consultant; 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, 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.")

The meeting was called to order at 5:30 p.m. by President Mancini, who announced all business to appropriately come before the Board at this time would be considered. Upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board unanimously approved interrupting the agenda order to consider the regular business of the day.

REVIEW AND APPROVE MINUTES OF MEETINGS OF MAY 6, 2009, MAY 18, 2009, and JUNE 3, 2009

Approval of minutes from prior Board meetings was first considered. The President asked for any corrections to the minutes of the cited meetings. Dir. Papp moved to approve the minutes of the May 18, 2009 meeting, as prepared. Dir. Toll seconded, and the Board affirmed. Thereafter, the Board, upon motion made by Dir. Papp, seconded by Dir. Toll, voted unanimously to table the May 6, 2009 and June 3, 2009 minutes at this time.

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

Approval of Report and Payment of Bills from Tax Account:

The President then called upon Ms. Ahlschlager, whose tax report, a copy of which is attached hereto, was reviewed with the Board. She stated that two (2) checks need signatures for disbursement and that the 3rd quarter Harris County Central Appraisal District ("HCAD") assessment was also being paid this month. Dir. Papp motioned approval of Tax Assessor/Collector's report. Dir. Toll seconded, and the Board voted unanimously in favor of the motion.

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 the JT Company, Inc. bankruptcy has been discharged and the trustee has made the final distribution, thus the balance due is uncollectible. Perdue, Brandon, *et al* has filed some lawsuits, there are some judgments, though all the suits are not adjudicated, Ms. Ahlschlager stated.

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.

Mr. Ammel stated that he has created a duplicate rate code entitled "Residential with Irr" for those customers with sprinkler systems. By so doing, he would be able to create reports (Excel spreadsheets) exclusively of those customers' activities, Mr. Ammel noted. The work should be complete in another two weeks' time, he added.

The Operator reported that the North Harris County Regional Water Authority ("Authority") would now be the official, Harris-Galveston Subsidence District ("Subsidence District") permittee, though the District would still be paying any appurtenant fees. The Authority will also be the entity determining the quantity of water the District should be granted annually from the Subsidence District, Mr. Ammel stated. Hoses are being replaced at the lift station, after which an all-day test would be performed, in preparation for the conversion to surface water, he added.

Authorization of Repairs to Water Supply System and Wastewater Collection System

There were no additional repair items (other than the ongoing meter replacement list under Significant repairs) requiring the Board's approval.

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

The Operator then presented the Board with the list of service accounts to be terminated for nonpayment. It was noted that no customer appeared at the meeting to discuss the nature of his/her delinquency with the Board. Dir. Papp motioned approval of the sixty-nine (69) terminations

presented by the Operator. Dir. Toll seconded, and the Board voted unanimously in favor of the motion.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

Mr. Phelps then revisited last month's discussion about the District's desire to use a collection agency for certain uncollectible accounts. Mr. Phelps stated that moving such accounts to the uncollectible roll would not render them uncollectible by an agency or otherwise, but would improve the collection percentages on each month's report. He added that he would continue his search for an appropriate collection agency to represent the Board, and hopefully Mr. Ammel would have a contract for the Board to consider at next month's meeting. The generally accepted percentage fee for such practice is now 30%, Mr. Phelps added.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

The President recognized Mr. Adam, whose report, a copy of which is attached hereto and considered a part hereof, had been made available to Directors before the meeting. There were no new repair items to consider.

Authorize Engineer to prepare plans and specifications for District facilities

The Engineer stated that he has been working with the right-of-way people regarding the Capano easement for the butterfly vine project. Mr. Adam stated that he wants to assure that all information is available for consideration relative to the easement agreement.

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 reviewed with the Board matters pertaining to the ground storage tank modifications. The contractor has completed the repairs and finish coating of both tanks, and the Engineer recommended Pay Est. No. 1 and Final in the amount of \$62,400. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved payment of Pay Est. No. 1, upon the recommendation of the Engineer.

Report on emergency generator and take necessary action related thereto

There was nothing to consider at this time.

ATTORNEY'S REPORT

Discuss Emergency Preparedness Plan

The President recognized Ms. Parker, who discussed the Senate Bill pertaining to emergency preparedness. She stated that Part I of the legislation gave districts until March 1, 2009 to file their emergency preparedness plan(s) with the TCEQ. The plan must be in place by July 1, 2010, Ms. Parker stated. The TCEQ will draft a template by November 2009, upon which the District will base its final plan.

Part II of the legislation allows for the placement of MUDs on the critical load list during emergencies, ensuring that power will be made available on a prioritized basis. Each district must name a contact and alternate person to comply with Part II, she added.

The Attorney stated that Cypresswood Utility District ("CUD") has requested changes to the proposed agreement for the chloramine project. The Board agreed that billing should be performed on a quarterly basis, as all other capital projects, and not monthly, as proposed by CUD.

Reconstitute the Board

The Attorney asked that the reconstitution of the Board be reconsidered, as it was not an agenda item last month. Dir. Toll moved to approve the reconstitution of the Board, as follows: President, Tom Mancini; Vice President, T. Gary Toll; Secretary, Bill Papp; Assistant Secretary, Bob Daniel; Vacancy. Dir. Daniel seconded the motion, which received unanimous support from the Board.

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 discussion of the monthly Bookkeeper's report, availed to the Directors prior to the meeting, and a copy of which is attached to, and considered a part of, these minutes. Bills were presented for approved for disbursal, and the Bookkeeper stated that there remains \$22,000 in the capital projects fund. She has billed CUD for their portion of the ground storage tank rehabilitation costs. In order to utilize the capital projects funds, the Board needs to pass a resolution, which can be accomplished next month, the Attorney noted. Thereafter she reviewed with the Board the current Investment report.

After consideration, the Board approved the Investment report, Bookkeeper's report and checks enumerated therein, motion having been made by Dir. Papp, seconded by Dir. Toll, and unanimously carried.

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

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 consider at this time.

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

The President recognized Mr. Fairey, who informed the Board that he had brought to the meeting 50 sprinkler controllers that the Board had ordered many months previous. He explained that his company had signed an agreement with Clear Channel Co. to broadcast the weather to the devices once installed. The devices are ready to receive the weather signal to utilize the 3-day forecast. The Attorney stated that she had prepared "Hold Harmless" documents for the participating residents to sign relative to the installation of such devices in tandem with their existing sprinkler controllers. Mr. Fairey stated that the devices' serial numbers are tied to each particular address for monitoring purposes. The Board then discussed holding a town meeting for the residents whose extreme usage qualifies them for this pilot program. The Board felt that Al Rendl, director of the Authority, would be an appropriate speaker, consider the Authority's \$1,000 donation to this program. Kim Jackson of the local press would also be desirable, they felt. Mr. Goodwin, when recognized by the President, stated that he knows of two (2) men who are qualified to install the devices. He added that he anticipates most of the existing sprinkler systems may require some adjustments or repair before installation of the DBLive devices. It was agreed that if a resident's system was in serious disrepair, required considerable work to adapt to the DBLive device, or was an illegal system, that the resident would no longer be a pilot program participant. The Board and DBLive representatives agreed that once installed, the devices must be left alone by the residents in order to obtain accurate results. Mr. Fairey stated that his company would donate one (1) unit to the Demonstration Garden, and the Directors thanked him for his generosity.

The Board determined a plan of action to proceed with the pilot program. First, the Board needs a list of the 100 high-use customers from the Operator and have mailing labels for such addresses made. The Operator stated that he compiled a database of such customers last year. The Directors felt that a late-August date would be the best time to hold the town hall meeting of participating residents. Ms. Payne should cover the project in the newsletter and on the website, it was stated. The Attorney will have the indemnity clause for pilot program participants to sign at that meeting, as well as provide a Notary Public for validation of residents' signatures. It was agreed to have copies of DBLives' brochure available at the same time, as well. Mr. Goodwin will be asked to give an "Irrigation 101" speech to participants. Ms. Payne will prepare a Fact Sheet and Water Saving Tips and invite the 100 to 150 highest water users to the meeting.

After consideration, the Board approved the contract with DBLive, subject to final approval by the Attorney, motion having been made by Dir. Papp, seconded by Dir. Toll, and unanimously carried. Further, upon motion duly made and seconded by Dirs. Papp and Daniel, respectively, the Board voted unanimously to pay the DBLive invoice upon review and approval of the DBLive

contract by the Attorney. It was understood that the contract cost is \$6,250, plus \$1,000 annual subscription.

Dir. Papp motioned to approve and release the payment of Payne Communications' invoice, which included expenses for signage and compost bins for the garden. Dir. Toll seconded the motion, which garnered unanimous support from the Board.

Discuss newsletter and take necessary action related thereto

When recognized, Ms. Payne stated that the newsletter's first District-specific page describes the makeover of the garden and mentions the irrigation system. She stated that there has been much response to the kids' activities on the website recently.

Report on status of butterfly vine project and compost project

There was nothing to report regarding this item.

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")

There was no PJPA report offered.

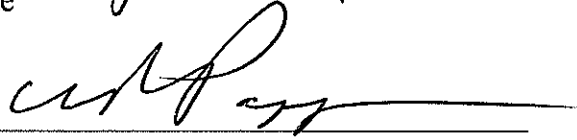
Report on meeting of North Harris County Regional Water Authority

There was no discussion of this item.

THE PRESIDENT ASKED FOR A MOTION TO ADJOURN, as there was no other business to conduct at this time. Dir. Daniel's motion, seconded by Dir. Toll, to adjourn the meeting at 7:50 p.m., carried by common consent.

PASSED AND APPROVED

August 17, 2009
Date

A handwritten signature in cursive script, appearing to read "Bill Papp", written over a horizontal line.

Bill Papp
Secretary of the Board of Directors