

**HARRIS COUNTY WATER CONTROL & IMPROVEMENT
DISTRICT NO. 132**

July 20, 2009

STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors of Harris County Water Control and Improvement District No. 132 (the "District") met in **regular** session at 5:30 p.m., **July 20, 2009**, at 4107 Evening Trail, Spring, Texas, the designated meeting place of the Board inside the boundaries of the District. 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 Daniel	Assistant Secretary
Vacant	Director

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

Also present were Cindy Schmidt, the District's Bookkeeper ("Bookkeeper,"); Mike Ammel and Ben Connelley of Environmental Development Partners, L.L.C. ("EDP") the District's Operator; Mark Adam and Tom Matkin of AEI Engineering, Inc. ("AEI"), the District's Engineer; Dennis Riley, President of Cypresswood Utility District ("CUD"), John Shannon, member of the public and Maria Salinas Parker of Coats, Rose, Yale, Ryman & Lee, P.C., the District's Attorneys ("Attorney").

The meeting was called to order and the following business was transacted.

MINUTES OF MEETINGS

Approval of the minutes of the meetings of May 6, 2009, June 3, 2009, June 15, 2009 and July 2, 2009, was deferred.

COST SHARING AGREEMENT WITH CUD FOR CHLORAMINE CONVERSION PROJECT

The Board recognized Mr. Riley, who discussed with the Board the proposed Cost Sharing Agreement for Chloramine Conversion Project (the "Agreement"). Mr. Riley acknowledged that in the past capital costs incurred for joint facilities by the District and CUD were billed quarterly to the participating district. Mr. Riley stated that CUD is requesting a deviation from this procedure. CUD is requesting that the Agreement be modified to provide that costs for constructing the chloramine conversion project will be paid monthly by the District and CUD as the pay estimates become due.

Upon motion by Director Toll, seconded by Director Daniel, the Board voted unanimously to approve a change to the Agreement that will require the District to pay its share of the pay estimates for the chloramine conversion project after CUD approves the pay estimates.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board then reviewed the Tax Assessor/Collector's Report, a copy of which is attached hereto. The Board noted that 97.80% of the District's 2008 taxes have been collected.

Upon motion duly made and seconded, the Board voted to approve the Tax Assessor/Collector's Report and to authorize payment of the checks listed therein.

Delinquent Tax Report

There was no delinquent tax report.

BOOKKEEPER'S REPORT/INVESTMENT REPORT

The President next recognized Ms. Schmidt who presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto.

Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, the checks listed for payment therein and the Investment Report.

OPERATOR'S REPORT

The President recognized Mr. Ammel, who presented the Operator's Report, a copy of which is attached hereto. Mr. Ammel reported as follows:

- there was broken fire hydrant lead under Cypresswood Drive. The fire hydrant connected to the lead was re-located.
- EDP re-installed to the ground storage tank hatches.
- NCO, a collection agency, will provide EDP with their form collection contract for Board review.
- A list of the 50 highest water users in the District is attached to the Operator's Report.
- the billed to pumped ratio for the prior month was 92.9%.
- the District has a total connection count of 686.
- Universal Engine Services ("UES") performed a load bank test on the generator at the lift station. The test was cut short due to engine overheating. The engine generator recorded a temperature of 234 degrees. It is programmed to shut down at 210 degrees. UES concluded that there is a lack of air flow in the generator pit. EDP is working on methods to reduce the ambient temperatures around the generator.
- Consumer Confidence Reports were mailed to customers and certificate of delivery was filed with the Texas Commission on Environmental Quality.

- The Board discussed water conservation measures and agreed that the use of mechanical and automated watering systems for lawns, gardens and shrubbery between the hours of 10:00 a.m. and 6:00 p.m. should be prohibited. Watering only with hand held devices during this period will be allowed. The Board will take formal action to approve this water conservation method at their meeting on July 30, 2009, with the new policy to be effective August 1, 2009. The Board asked Mr. Ammel to send a letter to customers notifying them of the proposed change.

Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report.

Termination of Service

Consideration was then given to the termination of water service to certain accounts for failure to pay their water bills. At this time, the Operator presented to the Board a List of Terminations. The Board noted that there were no persons present at the meeting to protest their utility bills and/or the termination of water service to their property.

Upon motion by Director Toll, seconded by Director Daniel, the Board voted unanimously to terminate service to such accounts, in accordance with the District's Rate Order.

ENGINEER'S REPORT

At this time, Mr. Adam was asked to update the Board as to engineering activities. A copy of the Engineer's Report is attached hereto.

Mr. Adam reported as follows:

Sanitary Sewer System Rehabilitation Program

AEI has prepared the priority listing and televised reports of the lines for rehabilitation and have furnished all information to the District operator for evaluation of the necessary point repairs. These repairs will have to be completed before AEI can proceed with the overall lining project.

Storm Sewer Outfalls to Cypress Creek

There has been no further action on this matter.

Water Supply Plant Chloramine Conversion

Bids will be received on July 21, 2009.

Lift Station

AEI has received a copy of the Operation and Maintenance Manuals for the emergency power generator. Mr. Adam reviewed with the Board an estimate of cost to convert the generator to a gas system.

Upon motion duly made and seconded, the Board voted unanimously to authorize AEI to solicit bids to convert the lift station generator to a gas generator.

ATTORNEY'S REPORT

The President recognized Ms. Parker, who presented the Attorney's Report.

Emergency Preparedness Plan (the "Plan")

No action was taken on the Plan.

Contract with Collection Agency

The Attorney is waiting for NCO to present a draft agreement for her review.

Updated Application for Service

No action was taken on revising the Application for Service.

Agenda Items for Joint Maintenance Meeting with CUD

The Board reviewed with Ms. Parker the items for the agenda for the joint maintenance meeting with CUD.

COMPUTER FOR DISTRICT MEETINGS

The Board discussed the purchase of a District computer.

Upon motion duly made and seconded, the Board voted unanimously to approve authorize Director Toll to purchase a computer for District use at a cost not to exceed \$1,500.00

PONDEROSA JOINT POWERS AUTHORITY ("PJPA")

Director Daniel then reported on the PJPA.

REGIONAL WATER AUTHORITY

Director Papp then reported on recent Regional Water Authority activities.

HEAR FROM PUBLIC

The Board noted there were no members of the public present who wished to address the Board.

There being no further business to come before the Board, the meeting was adjourned.

PASSED AND APPROVED

August 17, 2009
Date


Secretary of the Board of Directors