

10132 DMG m/n

HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 132

21 September 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 21<sup>st</sup> day of September 2009, at 5:30 p.m. 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 "Bob" Daniel	Assistant Secretary

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

Also present were Mary Bonetati, resident of the District and candidate for the Board vacancy; Maria Parker of Coats, Rose, Yale, Ryman & Lee, P.C., the District's Attorneys ("Attorney;") Tom Matkin 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 5:35 p.m., at which time the following business was transacted.

The President recognized Dir. Papp. Upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board unanimously approved interrupting the agenda order to consider some special business to come before the Board.

**CONSIDER AND ACT ON ATTORNEY'S REPORT, including**

**Appointment And Qualification Of Director**

Dir. Papp introduced Mary Bonetati as the new candidate for Board service. Dir. Papp stated that she has a scientific and educational background. Dir. Papp moved to appoint Ms. Bonetati as Director of the WCID #132 Board. Dir. Toll seconded, and the Board unanimously approved her appointment. The President recognized the Attorney, who informed the Board that Ms. Bonetati had duly filled out and executed her Oath of Office and Statement of Appointed Officer, and upon approval of same by the Board, she would be fully qualified to serve. Dir. Toll motioned approval of Ms. Bonetati's Oath of Office and Statement of Appointed Officer. Dir. Papp seconded the motion, which garnered unanimous support from the Board.

Dir. Papp motioned to return to the normal agenda order. Dir. Toll seconded, and the Board voted its unanimous approval.

**REPORT ON STATUS OF DBLIVE PROGRAM AND AUTHORIZE ACTION RELATED THERETO**

The President recognized Dir. Papp, who stated that he has plans to meet with Ms. Payne tomorrow and should work out all the details regarding the DbLive program at that time. He asked Mr. Ammel to forward the mailing list of irrigation customers to Ms. Payne at his earliest convenience.

**REVIEW AND APPROVE MINUTES OF MEETINGS OF MAY 6, 2009, JUNE 3, 2009, JULY 1, 2009, JULY 20, 2009, AUGUST 6, 2009 AND SEPTEMBER 10, 2009**

The 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 minutes of the May 6, 2009; June 3, 2009; July 1, 2009; July 20, 2009; August 6, 2009 and September 10, 2009, as prepared.

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

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

The President then recognized Ms. Ahlschlager for the Tax Assessor/Collector's report for August 2009, a copy of which is attached to these minutes and considered a part hereof. Said report was electronically mailed to Directors prior to the meeting. She reviewed with the Board the collections and expenditures delineated in her report. She presented the checks for Director approval and signature. Dir. Papp motioned to approve the Tax Assessor/Collector's report as presented, including the approval to disburse those checks itemized therein. Dir. Toll seconded, after which the Board voted its unanimous consent.

**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 then reviewed the Delinquent Tax Report prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue,") a copy of which is attached hereto and considered a part hereof, with the Board. She pointed out which accounts had been paid in full since the last Perdue report. She discussed the only action item, the Santana Williams account. After discussion, Dir. Toll motioned to authorize Perdue to file suit against the Santana Williams account holder to collect the delinquent taxes owed the District. Dir. Papp seconded, and the Board affirmed.

The Tax Assessor/Collector did inform the Board that the certified tax rolls have been received and would be discussed under the Attorney's report.

Upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board

unanimously approved altering the agenda order to consider setting the District's 2009 tax rate.

## **CONSIDER AND ACT ON ATTORNEY'S REPORT, continued**

### **Discuss tax levy for 2009 and call public hearing**

The President recognized the Tax Assessor/Collector and Attorney for the discussion related to setting the District's 2009 tax rate. The Attorney reminded the Board that setting the tax rate is a two-step process. The Board must first propose a tax rate. Second, a public hearing must be called to receive public comment on the proposed tax. Notice of the proposed tax rate and public hearing must be published in a newspaper in general circulation in the District.

Upon motion duly made and seconded, the Board voted unanimously to propose a maintenance and operations tax for 2009 of \$.35 per \$100 of assessed value, to call a public hearing for Monday, October 19, 2009 at 4107 Evening Trail, Spring, Texas, and to authorize the Tax Assessor/Collector to publish notice of the proposed tax rate and public hearing as required by law.

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

The President next asked Mr. Ammel to review with the Board the Operator's report, a copy of which, attached hereto as a part hereof, was made available to the Board prior to the meeting. The Operator reported that the Beginner's World Learning Academy ("Beginner's World") complained of their water bill being high. When viewing their recent usage, Mr. Ammel stated that April showed 16,000 gallons' consumption, June, 56 gallons, and July, 44,000 gallons. Beginner's World was advised that they had leak(s), he noted. Mr. Connelley stated that he left toilet dyes with the workers of the school for them to determine the location of their leaks. Mr. Ammel informed the Board that he had advised the school personnel to pay their disputed bill, and the Board would review the situation at this meeting. Beginner's World has not paid their bill and in fact are on the disconnect list, the Operator stated. Discussion ensued. After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board voted unanimously to credit Beginner's World with the value of the sewer rate for the amount of consumption that exceeded their average monthly usage for June and July, pursuant to Beginner's World paying their bill.

Mr. Ammel informed the Board that the Harris-Galveston Subsidence District (Subsidence District") permit was paid this month and is now kept by the North Harris County Regional Water Authority ("Authority"). There will now be new reports that the Operator will generate on a monthly basis for the Authority relative to such permit(s).

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

The Operator then discussed the two (2) line leaks that were repaired during the month. During a recent load bank test on the lift station generator, the generator overheated, cutting short the test. The Operator stated that UES is now designing ductwork to bring in fresh air and exhaust the radiator heat. Neither the design nor cost was yet given to the Operator.

Source Point performed top cleaning of the lift station for \$1,856. The Operator reviewed the plans for a new pub ("Dog House Pub") and will schedule a customer service inspection when modifications are complete.

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

Delinquent accounts were presented to the Board for approval for termination, in accordance with the District's Rate Order. There was no customer present to discuss the status of his account. Dir. Papp moved to terminate service to the 75 accounts presented, in accordance with the Rate Order. Dir. Toll seconded, and the Board approved the motion by unanimous vote.

**Authorize Operator to Write off Uncollectible Delinquent Water Accounts**

This matter was not considered.

**BOOKKEEPER'S REPORT**

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

The President then called upon Ms. Schmidt, who disseminated checks and bank signature cards for consideration and signature by the Board. A copy of the Bookkeeper's report, made available to the Directors prior to the meeting, is attached hereto and considered a part hereof for all purposes.

During review of the District's monthly Investment report, Ms. Schmidt informed the Board that she was looking to invest the \$150,000 coming due in one of the District's Certificates of deposit ("CDs") in a new bank that might be offering a favorable interest rate. The Bookkeeper discussed briefly the nature of investments allowed by law for MUDs to consider, for the benefit of new Director Bonetati.

The Board asked Ms. Schmidt to prepare a budget for the garden, so that they may better track the expenses related directly thereto. They asked that Ms. Schmidt begin at 2004 and bring expenses of the garden forward to date. She reminded the Board that when they consider adopting the fiscal year's Budget, that it may be amended at any time, should the Board deem appropriate. After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board voted unanimously to approve the Bookkeeper's report, Investment report, and payment of the bills, as presented.

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

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

The President next recognized Mr. Matkin for discussion of the Engineer's report, a copy of which is attached hereto and considered a part hereof. The Engineer stated that there was nothing new to report regarding the sanitary sewer rehabilitation or storm sewer outfalls to Cypress Creek.

The pre-construction conference for the Chloramine Conversion Plant was held on Wednesday, September 16, 2009, the Engineer informed the Board.

The Engineer informed the Board that he is in receipt of a letter from the Authority regarding the implementation process for the aggregate well permit. Review of the site plan for the proposed Dog House Pub resulted in no changes to existing plumbing or otherwise, Mr. Matkin stated. The Board requested that the Engineer review the District's map and records to determine what entities the District owns along Cypress Spring Drive, the road to the lift station.

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

AEI added notes from the Consent to Encroachment to the site plan for the proposed trail improvements, Mr. Matkin stated.

**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**

This item was deferred, as there were no pay estimates or change orders to consider.

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

AEI is continuing to research options for extending the run time of the lift station generator, including the use of bi-fuel conversion, Mr. Matkin stated. He added that he has been attempting to compare generators with and without bi-fuel capabilities. He noted that he did not receive an answer from the Texas Commission on Environmental Quality ("TCEQ") as to whether the bi-fuel issue affects the TCEQ tier requirements.

**ATTORNEY'S REPORT, continued**

**Reconstitute Offices of the Board**

The President recognized Ms. Parker, who asked the Board to consider reconstituting itself, due to the addition of Dir. Bonetati. After consideration, upon motion duly made by Dir. Papp and seconded by Dir. Toll, the Board unanimously approved reconstituting the Board to add Dir. Bonetati as Asst. Secretary, with the other offices remaining unchanged.

**Discuss Emergency Preparedness Plan**

The Attorney then informed the Board that she had attended a meeting on this matter earlier in the day. The TCEQ has come out with template(s) for the Phase I and Phase II compliance of the Emergency Preparedness Plan ("the Plan"), she stated. It was noted that Montgomery County is attempting to be granted an exception for the Plan's July 2010 compliance date. The Attorney stated

that districts must have a Plan in place by such date, but the mandate does not require that the Plan be in operation.

#### **Legislative Update**

There was nothing new to discuss in this regard, thus the matter was deferred, with no action being taken.

#### **Approve Updated Application for Service**

The Attorney presented the revised Application for Service.

#### **Approve Unclaimed Property Report**

The Attorney stated that this item should be considered before the November deadline and that she would check with Ms. Schmidt as to when the report would be presented for Board consideration.

#### **Approve Resolution Nominating Candidate to Harris County Appraisal Review Board**

The Attorney stated that she had received information regarding the Harris County Appraisal Review Board candidate(s). After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board voted unanimously to adopt a resolution nominating Mr. Glenn Peters to the Harris County Appraisal Review Board.

#### **Approve Amended Rate Order**

This matter was deferred, as there was nothing new to discuss at this time.

#### **Approve proposal to renew insurance**

The President recognized Dir. Papp, who had prepared a comparison of the proposals presented by different insurers to the Board. He stated that the insurers' high ratings indicate the ability of that company to pay claims. He added that the meeting place is located in Zone X and the lift station is in Zone AE. He asked the Board to consider his review, but also wished that the companies that had made proposals would make a presentation before the Board next month. Discussion of this item was tabled.

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

The President asked that this matter be tabled until discussion may be held with Ms. Payne.

#### **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")**

This item was deferred.

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

There was brief discussion of the pumpage fee charged by the Authority. The Attorney advised the Board that at its October meeting, the Authority would be conducting a hearing on increasing the pumpage fee.

ABSENT ANY FURTHER BUSINESS TO CONDUCT AT THIS TIME, the President asked for a motion to adjourn. Dir. Papp's motion, seconded by Dir. Toll, to adjourn the meeting at 8:02 p.m., carried by common consent.

PASSED AND APPROVED

October 19, 2009  
Date

Bill Papp  
Bill Papp  
Secretary of the Board of Directors