

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

18 January 2010

STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors of Harris County Water Control and Improvement District No. 132 met in special 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 January 2010, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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|-----------------|---------------------|
| Thomas Mancini | President |
| T. Gary Toll | Vice President |
| William R. Papp | Secretary |
| Mary Bonetati | Assistant Secretary |
| Cindy Daniel | Assistant Secretary |

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

Also present were resident Cindy Lane; 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 President called the meeting to order in accordance with law at 5:40 p.m. and the following District business was conducted.

REPORT ON STATUS OF DBLIVE PROGAM AND AUTHORIZE ACTION RELATED THERETO

The President recognized Dir. Papp, who reminded the Board of the special meeting to be held on January 27, 2010 to promote the DbLive pilot program. The meeting is scheduled to begin at 7:00 p.m. at the new Cypresswood clubhouse, he added.

REVIEW AND APPROVE MINUTES OF MEETINGS OF MAY 6, 2009, JUNE 3, 2009, JULY 1, 2009, DECEMBER 2, 2009 AND DECEMBER 21, 2009

The President asked that the Board consider approving minutes of prior meetings. Dir. Papp motioned to approve the minutes of the December 21, 2009 meeting, as presented. Dir. Daniel seconded, and the Board affirmed. The Board tabled approval of the other cited minutes.

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

Approval of Report and Payment of Bills from Tax Account:

President Mancini first recognized Ms. Ahlschlager for presentation of the Tax Assessor-Collector's report for December 2009. A copy of her report, attached to these minutes as a part hereof, was electronically mailed to Directors prior to the meeting. Checks numbered 2313 through 2320 totaling \$2,655.64 from the tax account were presented for approval 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:

Tax collections for 2009 stand at 49.98%, compared to last year's tax collections of 20.59%, Ms. Ahlschlager stated. She stated that greater than \$50,000 in tax revenues had been received but were not posted at report preparation time. She then discussed the Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") Delinquent Tax Report, also attached to her report as a part thereof. The account holder of account 105-249-000-0023 asked Perdue for a payment schedule to manage their delinquent taxes.

Dir. Papp motioned to approve the Tax Assessor/Collector's report as presented and approval of a payment schedule for the cited account holder. Dir. Toll seconded, after which the Board voted its unanimous consent.

BOOKKEEPER'S REPORT

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

Ms. Schmidt, next recognized by the President, reviewed with the Board the Bookkeeper's report, a copy of which is attached to and considered a part hereof. Of note, the report was made available to the Board prior to the meeting. The Bookkeeper noted that she had not received a bill for the District's share of the chloramines disinfection system project with Cypresswood Utility District ("CUD") or for the 4th quarter pumpage fees of the North Harris County Regional Water Authority ("Authority"), so she brought blank checks numbered 1988 and 1989 to cover such payments. The Board asked the Engineer to provide greater detail with his billing for which blank check 1989 was written. She also informed the Board that since the report was prepared she had received invoices for the Authority, Carol Fraser/HEAD, Inc. and Precision Printing and had issued checks 1988 (shown as blank on the report), 1990 and 1991 to pay those items.

The Bookkeeper then presented the current Investment report for discussion with the Board. After discussion, upon motion duly made and seconded by Dirs. Toll and Papp, respectively, the Board voted unanimously to approve the Bookkeeper's report, Investment report, and disbursal of the checks presented.

CONSIDER AND ACT UPON OPERATOR'S REPORT

Mr. Ammel, next called upon by the President, discussed the District's operational matters with the Board. The Operator's report, a copy of which is attached to these minutes, was disseminated to the Board prior to the meeting. Significant repairs included an 8" insertion valve installation at 4003 Fir Forest, and while excavating at 17815 Cypress Spring, locating the existing 6" valve. The third valve [Fir Forest] has neither been located nor a new one installed, pending additional fieldwork. A list of sites along Cypresswood are slated for excavation and repair of the sanitary sewer line, pursuant to the ongoing point repair project, the Operator stated.

The Operator provided copies of "The Rising Cost of Water" flyer explaining activities, construction, and rates of the District for insertion with the next customer water bills.

Authorization of Repairs to Water Supply System and Wastewater Collection System

Neil Technical Services ("NTS") has pulled the lift pump flow chart recorder to quote needed repairs, the Operator informed the Board.

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

Seventy (70) accounts slated for termination were presented to the Board. No customer attended the meeting to discuss the status of his delinquent account, it was noted. Dir. Papp moved to begin the termination process to such accounts, in accordance with the District's Rate Order. Dir. Toll seconded, and the Board approved the motion by unanimous vote.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

There was no discussion of this item.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

The President next recognized Mr. Matkin, whose Engineer's report, a copy of which is attached hereto and considered a part hereof for all purposes, was electronically mailed to the Board prior to the meeting. The President also recognized Ms. Lane, who stated that the residents are not prepared at this time to make a commitment regarding constructing drainage swales. She stated that her only concern dealt with the fence line. The Engineer stated that the original drainage pipeline easement from many years ago does allow for a ditch running perpendicular to the easement. The Engineer was asked to put together information that could show the residents how the operation should improve drainage. After discussion, it was agreed that the Engineer and Attorney would meet with the affected residents to discuss construction of the swale to prevent drainage problems in greater detail. As the District would be accepting on-going maintenance after construction of the swales, the President stated that he wanted to assure that all related costs are known before proceeding.

Authorize Engineer to prepare plans and specifications for District facilities

The Engineer stated that the Texas Commission on Environmental Quality ("TCEQ") has granted interim approval for the water well but requested bacteriologic testing results and radionuclide control analysis. Mr. Matkin stated that AEI is working with EDP to address TCEQ's issues. The Board requested immediate notification of any change in the status of the system's approval by the TCEQ.

When the Operator has located the unidentified valves within the District, the Engineer stated that he would make recommendations on how to proceed.

After review of Dir. Toll's sketch to collect and store water for the garden, the Engineer stated that there are a number of matters to consider, including the volume of water for daily and monthly use and storage, velocity of the water into the tank(s), and type of electricity to be used. Dir. Papp stated that he spoke to Ms. Fraser about using guttering around the top of the ground storage tank. Tapping such collection system into the main District system to guarantee the volume of water needed was also discussed. No action was taken.

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 stated that he had nothing new to report as to the progress of the chloramine disinfection system project, probably owing to the holiday season.

CONSIDER AND ACT ON ATTORNEY'S REPORT

Discuss Emergency Preparedness Plan

The President recognized the Attorney, who discussed with the Board the requirements of Senate Bill 361 to have an Emergency Preparedness Plan ("the Plan") approved by the District and filed with the TCEQ on March 1, 2010. The Engineer informed the Board that he was working to complete the Emergency Preparedness Plan of the District and would bring it to the February Board meeting for approval.

Director's Question regarding Sale Of Water-Related Products

The President recognized Dir. Papp, who wanted to know whether he or his company could sell water-related products to the District. Such products, including guttering systems, are being marketed for general water industry usage, he noted. The Attorney advised Dir. Papp that if the corporation is closely held it could be problematic, but no problem whatsoever in dealing with other districts.

Attorney's formation of a new law firm

Ms. Parker then informed the Board that she was leaving the law firm of Coats, Rose, *et al*, effective Tuesday, January 19, 2010, after nearly 20 years and was forming a new firm, **SANFORD KUHLE KUGLE PARKER HAGAN, L.L.P.**, with several colleagues. She stated that her departure from Coats, Rose, *et al*, is mutually amicable. The President stated that the District has certainly enjoyed its relationship with Ms. Parker. Ms. Parker stated that any fees associated with the transition from Coats, Rose, *et al* and affiliating with her new firm would be borne by her. Additionally she stated that she would look into details about Records Retention for the District and provide a schedule of her firm's rates for the Board's consideration.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS

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

The matter was not considered.

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

The President asked Dir. Papp to report on the flagpoles. Dir Papp informed the Board that the poles will be lit and that 25' appears to be the appropriate height for the garden site flagpoles.

Report on status of butterfly vine project and compost project

This matter was deferred.

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

Review correspondence addressed to the Board

Dir. Papp, recognized by President Mancini, stated that he had received a brochure from the American Water Works Association ("AWWA") regarding membership. He was unsure as to the charge for a district member, he noted, but he highly recommended the District joining. The Board concurred and asked to have the cost of a group membership determined prior to the March 19, 2010 deadline. After discussion, upon motion duly made and seconded by Dirs. Toll and Daniel, respectively, the Board voted unanimously to join the AWWA. Pursuant thereto, the Board determined to attend the spring conference of AWWA and asked the recording secretary to make reservations.

The Board then discussed the Association of Water Board Directors Water Smart program. Upon motion duly made, seconded, and unanimously carried, the Board authorized Dir. Toll's filling out the membership form for the Water Smart program and having it filed by April 2010.

Review correspondence sent by the District

There was no correspondence sent by the District this month.

Joint Powers Authority ("PJPA")

No report was offered at this time.

Report on meeting of North Harris County Regional Water Authority

This matter was tabled.

ABSENT ANY FURTHER BUSINESS TO CONSIDER AT THIS TIME, Dir. Papp moved to adjourn at 7:40 p.m. Dir. Bonetati seconded, and the Board unanimously approved.

PASSED AND APPROVED

February 15, 2010

Date

Bill Papp

Bill Papp
Secretary of the Board of Directors