

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF MEETING OF
May 17, 2010

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 17th day of May 2010, 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
Mary Bonetati	Assistant Secretary
Cindy Daniel	Assistant Secretary

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

Also present were resident Carol Fraser with Head, Inc.; resident Cindy Lane; Maria Parker of Sanford Kuhl Hagan Kugle Parker Kahn, LLP, the District's Attorneys ("Attorney"); Tom Matkin 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"); Lauren Matson 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 in accordance with law at 5:50 p.m. and welcomed all guests present.

APPROVE ELECTRICAL CONTRACT

The President recognized Ms. Parker, who reminded the Board that at the meeting on April 19, 2010, the Board had authorized the President to work with Acclaim Energy Services to obtain an electrical contract for the District. The President stated that he had not heard from Acclaim since the last meeting.

REPORT ON STATUS OF DBLIVE PROGAM AND AUTHORIZE ACTION RELATED THERETO

The President then recognized Dir. Papp, who informed the Board he had received the operating manual/brochure from DbLive. As there have been only 12 or so evaluations, there are only five (5) residences that are ready for installation of the sprinkling device, he said. Dir. Papp stated that he contacted Ms. Payne to discuss methods for generating interest in participating in the

pilot program. He added that he would like to have Ms. Payne put together a draft procedure for the Wise Guys.

REPORT ON SUSTAINABLE SITE PROGRAM AND PROJECT FROM BURDITT LANDSCAPING ("BURDITT")

There was no discussion on the arbor project at this time.

REVIEW AND APPROVE MINUTES OF MEETINGS OF MAY 6, 2009, JUNE 3, 2009, JULY 1, 2009, APRIL 7, 2010, APRIL 19, 2010 AND MAY 6, 2010

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 April 7, 2010 and May 6, 2010 minutes as prepared. Dir. Toll noted a correction to the April 19, 2010 minutes. Dir. Papp moved to approve the minutes of the April 19, 2010 meeting, as corrected. Dir. Toll seconded, and the Board affirmed. The other minutes were deferred 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. Matson, whose Tax Assessor/Collector's report was made available to the Board prior to the meeting. A copy of said Report is attached hereto and considered a part hereof for all purposes. She presented checks numbered 2341 through 2344 from the tax account for consideration and 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:

The Tax Assessor/Collector informed the Board that the tax receivables this month reached 90.29%, compared to 94.20% in 2009. Ms. Matson stated that a large delinquent account most likely accounted for the reduced percentage of tax revenues. She informed the Board that real property delinquent notices, advising taxpayers of the additional penalty placed on accounts remaining delinquent as of July 1, 2010, were mailed out earlier in the month. After consideration, upon motion duly made by Dir. Papp and seconded by Dir. Bonetati, the Board unanimously approved the Tax Assessor/Collector's report and payment of the tax bills presented in connection therewith, as presented.

REVIEW AND APPROVE BOOKKEEPER'S REPORT

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

The President next recognized Ms. Schmidt, whose Bookkeeper's report, a copy of which is attached hereto as a part hereof, was electronically mailed to Directors before the meeting. Ms. Schmidt reviewed with the Board the checks being presented for consideration and approval at this time.

The Bookkeeper then reviewed the current Investment report with the Board. Dir. Toll motioned to approve the Bookkeeper's report as presented. Dir. Bonetati seconded, after which the Board voted its unanimous consent.

CONSIDER AND ACT UPON OPERATOR'S REPORT

President Mancini then asked Mr. Ammel to review with the Board the Operator's report, a copy of which is attached hereto and considered a part hereof for all purposes. The Operator stated that repairs to the fire hydrant and valves, reported last month, are still pending. The Operator reported that a leak on Kuykendahl was found and repaired, and that accountability has improved steadily since. The Operator stated that four (4) months remain on the District's aggregate permit. Mr. Ammel informed the Board that Mr. Phelps would be attending meetings regularly on behalf of EDP in the future.

Authorization of Repairs to Water Supply System and Wastewater Collection System

The Operator reported that EDP is moving forward with piping and control modifications at the Evening Trail Water Plant, to facilitate meeting peak demand.

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 accounts to be terminated for nonpayment of bill(s). It was noted that no customer appeared at the meeting to discuss the nature of his/her delinquency with the Board.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

This matter was deferred, with no action being taken.

Dir. Papp motioned approval of the Operator's report. Dir. Bonetati seconded the motion, which garnered unanimous support from the Board.

Approve Consumer Confidence Report

Mr. Ammel reported that while he still did not have the Texas Commission on Environmental Quality ("TCEQ") templates, he requested approval at this time of the Consumer Confidence Report ("CCR") to ensure its timely delivery to customers. Dir. Papp motioned approval of the CCR and its delivery to customers, subject to final approval by the Attorney. Dir. Toll seconded, and the Board voted unanimously in favor of the motion.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

President Mancini recognized Mr. Matkin for the Engineer's report, a copy of which is attached hereto as a part of these minutes. Mr. Matkin stated that he is waiting for Alsay to move forward with what was approved for the damaged well by the Board at the previous meeting. The Board then reviewed the Alsay proposal with the Engineer. The Engineer stated that he would hope the well could deliver between 200 and 500 gallons per minute ("gpm") when repaired as discussed. He stated that he spoke with Mike Boyer of the North Harris County Regional Water Authority ("the Authority") about options available to the District to ensure sufficient capacity to meet peak demand. At this point, Mr. Matkin stated that he felt that if the Authority is not willing to write a contract with the District guaranteeing peak demand water delivery, then the Authority should allow the District to drill a well. The Board asked the Engineer to draft a letter to the Authority stipulating the conversations he has with representatives of the Authority regarding this matter and representations made on behalf of the Authority that there would be no objection to the District drilling a water well.

The Engineer informed the Board that today he received notification from the TCEQ that the request for approval of emergency repairs is administratively complete.

Authorize Engineer to prepare plans and specifications for District facilities

The Engineer stated that AEI is continuing to develop plans and estimates for use of the District's storm water collection system to capture runoff for irrigation purposes. He stated that he is coordinating with vendors whose containment products might be modified for such use. He anticipates the cost to be less than \$20,000. He noted that these products would allow no access to maintain the containers over time.

Requests for water and sewer service

There were no requests for water and sewer 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

Mr. Matkin then noted that the chloramine disinfection system plant should be complete by May 17, 2010. He informed the Board that Cypresswood Utility District's engineer A&S is withholding certain payments from the contractor to assure the chloramines tests are good. Final inspection is scheduled for May 19, 2010, Mr. Matkin stated.

Mr. Matkin advised the Board that Mr. Ammel had spoken with local TCEQ officials, who stated that the District has satisfied the TCEQ's concerns about the District's Mantana well, and further advised Mr. Ammel that the District does not need to perform further testing in order to receive full well approval. Mr. Matkin forwarded a copy of such correspondence to the TCEQ headquarters in Austin, Texas and was subsequently informed that the well was indeed approved.

CONSIDER AND ACT ON ATTORNEY'S REPORT

The President asked the Attorney to update the Board on the District's legal matters.

Discuss Drainage Issues on Loring Lane and take action related thereto

Residents affected by drainage problems on Loring Lane have now provided executed licenses allowing the Engineer to go onto their properties for the purpose of inspecting and developing a plan to alleviate the drainage issues, the Attorney informed the Board. The Engineer stated that he is in the process of notifying residents of his proposed plan to approach the problem.

Report and Take Action on Drainage Issue including acquisition of easements and construction of swale

There was no further discussion of this matter.

Approve Annual Red Flag Report

The Attorney asked that this item be deferred at this time. The Board concurred.

Approve Water Conservation Policy

This matter was deferred at this time.

Report on Non-profit Corporation for Demonstration Center

The President recognized the Attorney, who reported that several Attorneys in her office have experience in setting up 501(c)3 corporations and could help the District form a 501(c)3 corporation for the Center. Noting the amount of time required, she suggested a special meeting with the President to consider this matter.

Qualification of Directors

The Attorney reported that Dirs. Mancini and Papp had duly filled out their Oath and Statement of Elected Officials and were therefore fully qualified to serve the District. Dir. Toll motioned to approve the Oaths and Statements of Elected Officials relating to Dirs. Mancini and Papp. Dir. Bonetati seconded, after which the Board voted its unanimous consent.

Election of Officers

The Attorney stated that, as there had been a Directors Election, the Board could consider reconstituting itself at this time. After discussion, the Board elected to retain the present slate of officers.

Approve Implementation of Emergency Preparedness Plan

The Attorney reminded the Board that the Emergency Preparedness Plan ("the Plan") was filed several months ago by the Engineer.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS, including:

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

Discussion of this item was tabled.

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

The President recognized Ms. Fraser, who asked to have the ground display for the lawns area approved. She stated that she had met with Mr. Hartley to discuss installation of spigots on the four (4) ground corners. She stated that she would like to incorporate purple piping into the Center, by laying it around the periphery of the turf gardens. It would show residents another method of recycling and would help set the right tone for the Center, she noted.

She then stated that Nature's Way would like to donate to the District some rock or paving stones. She noted that the gardens would not be raised beds, as previously considered. The use of the granite and green sand would qualify as research to determine the permeability of such stones, Ms. Fraser stated.

Discuss newsletter and take necessary action related thereto

The President recognized Dir. Papp, who stated that the newsletter "Water Works!" had come out and was great. He did note that the periodical showed the Board had two (2) secretaries.

Report on status of butterfly vine project and compost project

Dir. Papp continued, noting that he would like to try to repair the compost bins. It may depend upon being able to locate proper parts, he noted. Ms. Fraser stated that the cypress vines had been transplanted successfully.

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

Review correspondence addressed to the Board

The President noted that he had received proposals from Ms. Allard and Head, Inc. After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board voted unanimously to approve the contract with Ms. Allard as presented.

The Board then discussed the contract with Head, Inc. for work related to the Center. After discussion, upon motion duly made and seconded by Dirs. Papp and Bonetati, respectively, the question being put to the Board, the Board voted in accord to approve the contract increase from \$1,000 to \$1,200 per month.

Review correspondence sent by the District

There was no correspondence to consider.

Joint Powers Authority ("PJPA")

This item was not discussed at this time.

Report on meeting of North Harris County Regional Water Authority

The Board deferred further discussion of the Authority.

ABSENT ANY FURTHER BUSINESS TO CONSIDER AT THIS TIME, Dir. Papp moved to adjourn at 7:27 p.m. Dir. Toll seconded, and the Board unanimously approved.

PASSED AND APPROVED

June 22, 2010

Date



Bill Papp

Secretary of the Board of Directors