

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF MEETING OF
August 16, 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 16th day of August 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, except Dir. Papp, thus constituting a quorum.

Also present were Carol Fraser with Head, Inc.; 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"); 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").

President Mancini called the meeting of the Board of Directors to order at 5:30 p.m. The President recognized Dir. Toll, who moved to change the order of the day. Upon Dir. Daniel's second, the Board voted unanimously in agreement.

CONSIDER AND ACT ON ATTORNEY'S REPORT

Copano Easement

The President recognized Ms. Parker for the legal report. She informed the Board that she was looking into the Encroachment Agreement with Copano, dated September 19, 2009, to determine requirements placed upon the District to improve such area. She reminded the Board that Ms. Fraser had provided Dir. Papp certain protocols with respect to working in the Copano easement. She added that the protocol was included in the handouts at the most recent meeting of the Water Conservation Demonstration and Research Center ("Center"). The Attorney noted that not only must the District give notice to Copano regarding proposed activity on the easement, but the District must also assure that any representative or worker at the Center be in compliance with the

requirements of the Encroachment Agreement. To that end, Ms. Parker stated that she would get a copy of the agreement for use at the Center. Ms. Fraser suggested having the agreement or its requirements translated into Spanish, to accommodate some of the workers. The Board concurred.

Dir. Toll motioned to return to the order of the day. Dir. Daniel seconded, and the Board voted its unanimous approval.

REVIEW AND APPROVE MINUTES OF MEETINGS OF JUNE 3, 2009, JULY 2, 2009, JULY 14, 2010, July 19, 2010 and August 11, 2010

The President asked that the approval of past minutes be given next consideration. After review, upon motion made by Dir. Toll, seconded by Dir. Bonetati, the Board voted unanimously to approve the minutes of the August 11, 2010 and July 219, 2010 meetings as written. Approval of other minutes was 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 recognized Ms. Ahlschlager for the Tax Assessor/Collector's report for the month of July 2010, a copy of which is attached hereto and considered a part hereof for all purposes. Such report was made available to the Board prior to the meeting. The Tax Assessor/Collector presented checks numbered 2351 through 2354 from the tax account for consideration and approval at this time.

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 noted that 2009 tax collections this month were 98.83%, compared to last year's collections of 96.22% at the same time. She next reviewed the August 16, 2010 Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") Delinquent Tax Report, attached to her written report as a part thereof, with the Board. Ms. Ahlschlager noted that two (2) accounts, Armor Alarms, Inc. and LeBlanc's Louisiana Cookin', were recommended by Perdue to be moved to the uncollectible roll.

After review, Dir. Toll's motion, seconded by Dir. Bonetati, to approve the Tax Assessor/Collector's report as presented and disbursements itemized therein, and further to move Armor Alarms, Inc. and LeBlanc's Louisiana Cookin' accounts to the uncollectible roll.

CONSIDER AND ACT UPON OPERATOR'S REPORT

President Mancini then asked Mr. Phelps to review with the Board the Operator's report, a copy of which, made available previously to the Board, is attached to, and considered a part of, these minutes. The Operator informed the Board that, following a power outage at the lift station on

Saturday night, Ben had called Centerpoint, which restored power Sunday morning. They were asked to have the tree that had fallen on the power line, trimmed, Mr. Phelps added.

The Operator stated that Cypress Creek Pest Control was given notice of termination, as they do not provide an organic pest control solution. Also, Seaback Maintenance, Inc. was told to mow outside the fence at a height of 3 inches.

Accountability was reported at 99.6% for the month, with the annual accountability reported at 94.5%, the Operator stated. With a change in ownership at Falcon Ridge Apartments, the Operator stated that he would assure that the new owners are on board with District procedure and policies.

Authorization of Repairs to Water Supply System and Wastewater Collection System

The Operator stated that the water well was placed back in service on August 5, 2010. Requisite bacteriologic tests were made and will be redone on August 23, 2010, Mr. Phelps stated. G-M Services informed the Operator that the well is pumping 523 gallons per minute ("gpm"), about what the District had anticipated.

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

Sixty-one (61) 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. Toll moved to terminate service to such accounts, in accordance with the District's Rate Order, and further to approve the Operator's report. Dir. Daniel seconded, and the Board approved the motion by unanimous vote.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

This matter was deferred at this time.

Discuss Drainage Issues on Loring Lane and take action related thereto

The Operator informed the Board that he had asked Tackle Construction to bid the Loring Lane drainage job per the plans provided by AEI. He has not yet received the proposal.

Authorize and Approve Internet Payment system

Discussion and action thereupon was deferred at this time.

REVIEW AND APPROVE BOOKKEEPER'S REPORT

Approval of report, payment of bills from the Operating Account

Ms. Schmidt was then called upon by the President for presentation of the monthly Bookkeeper's report, a copy of which is attached hereto as a part hereof. The President asked the

Bookkeeper how expenses were tracking in the Budget. She responded that the Operating Account is still in the positive for the chloramine disinfection system project, which came in roughly on target. The District will be receiving a bill for 50% of certain shared expenses from CUD soon, she added, which will exceed budget.

Take necessary action on Depository Pledge Agreement

This matter was deferred.

Approve Investment report

The Bookkeeper then reviewed the July 2010 Investment report with the Board.

After review, Dir. Toll's motion, seconded by Dir. Bonetati, to approve the Bookkeeper's report, Investment Report, and payment of the bills as presented, received unanimous consent by the Board.

CONSIDER AND ACT ON ENGINEER'S REPORT

Approve repair and maintenance projects within the District

Mr. Matkin was next recognized by President Mancini for discussion of engineering matters. His report, a copy of which is attached to these minutes as a part hereof, was made available to the Board prior to the meeting. The President asked Mr. Matkin about his conversation with Mr. Rolen, the North Harris County Regional Water Authority's (the "Authority") engineer, at the recent Association of Water Board Directors ("AWBD") conference. Mr. Matkin stated that he reiterated to Mr. Rolen the District's desire for a permanent source of water within the District. Mr. Matkin stated that it would probably be a good idea to request a meeting with the Authority and Mr. Schindewolf on the matter. It appears the Authority is interested in alternatives rather than drilling a well, Mr. Matkin stated. The President stated that he might discuss the matter further with the Messrs. Schindewolf and Rolen at the Authority's next monthly meeting.

The Engineer informed the Board that annual inspection of the ground storage tank would be performed in September. Dir. Daniel made a motion to authorize the annual inspection of the ground storage tank. Dir. Toll seconded, and the Board vote was unanimous in approval.

Authorize Engineer to prepare plans and specifications for District facilities

AEI and the Attorney met with affected homeowners on Loring Lane on August 3, 2010 and presented the proposed plan of a drainage swale. First indemnity agreements must be received from the affected residents. He stated that Ms. Lane would contact the people associated with the Copano easement to assure they approve re-grading of the previous swale. After the work is complete, the swale will be recorded in the Deed Records.

The Engineer stated that he would try to get the signatures for the proposed trail improvements extended. The expiration date is August 20, 2010.

Mr. Matkin informed the Board that he had forwarded to the City of Houston the District map in order that the District be given consideration for a Strategic Partnership Agreement (“SPA”) with the City of Houston. Considering that some of the District is outside the 3-mile limit from the City of Houston, the District is trying to get Ponderosa MUD’s approval to go forward with their own SPA.

Approve Requests for water and sewer service

There were no requests for water and sewer service.

Approve pay estimates and change orders relating to contracts for the repair of the water supply system and sanitary sewer collection system

The Engineer informed the Board that he recommended payment of Pay Estimate #2 in the amount of \$68,776 to Alsay, Inc. for the well rehabilitation.

Dir. Toll moved to approve the Engineer’s report. Dir. Bonetati seconded, and the Board affirmed.

ATTORNEY’S REPORT, continued

Approve Resolution Regarding Annual Review of Investment Policy

The Attorney noted that each year the Board is asked to review and consider making any changes deemed appropriate to the District’s Investment policy. At this time the Board conducted an annual review of the District’s Investment Policy. She noted that the List of Banks had been updated to coincide with the Bookkeeper’s records. Dir. Toll motioned adoption of the Resolution Regarding Annual Review of Investment Policy, as prepared by the Attorney. Dir. Daniel seconded the motion, which garnered unanimous support from the Board.

Discuss tax levy for 2010 and call public hearing

As the tax rolls for the District have not yet been certified, the Board deferred taking any action upon this matter.

Approve Unclaimed Property Report

The Bookkeeper stated that this item would be considered in November 2010.

Report on Non-profit Corporation for Demonstration Center

Ms. Parker stated that she received certain comments from Dir. Papp after the meeting to form the non-profit Corporation for the Center. The By-Laws for the non-profit Corporation have now been drafted, she informed the Board. The Board needs to review the By-Laws and give the Attorney its approval, she noted.

Approve Cost Sharing Agreement

The Attorney noted that the cost-sharing agreement had been approved by the Board at last month's regular meeting.

Lease Agreement with North Harris County Regional Water Authority

The Attorney reminded the Board that the Authority is no longer utilizing the District as the Water Conservation and Demonstration Center site to store its Water Conservation Mobile, but that the lease with the Authority extends until November 30, 2010. She stated that she contacted Ms. Bobbit, Attorney for the Authority, and it was determined that, as the expiration date is nearing, no action need be taken to terminate the lease.

Consider Addition of Trash collection to water bills

The President expressed interest in pursuing the assumption of trash collection services. The primary issue is the varying dates of each Homeowners' Association's ("HOA") trash collection contract, it was noted. Another issue is that some HOAs include trash expenses in their annual homeowners assessment. No decision was made.

Dir. Toll motioned approval of the Attorney's report. Dir. Daniel seconded, and the Board voted unanimously in favor of the motion.

Dir. Toll moved to reinstate the agenda order. Upon Dir. Daniel's second, the Board voted unanimously in agreement.

REPORT ON STATUS OF DBLIVE PROGAM AND AUTHORIZE ACTION RELATED THERETO

The Board centered its discussion upon the \$5,000 fee the Wise Guys are asking the District to pay for inspecting District customers' sprinkler systems. In his discussion with Mr. Hartley, the President stated that Mr. Hartley agreed that the District's business with respect to DbLive had preceded the formation of the Wise Guys *per se*. The President's discussion resulted in the Wise Guys' agreeing to not charge the \$5,000 for work done on the DbLive product through 2010. The President then called Ms. Payne and expressed the District's disappointment over the matter and the luke-warm response of the residents to the pilot program. The President stated his opinion that moving forward with the DbLive program should be concluded by year's end to avoid the \$5,000 or discontinue the program altogether. The President again asked Ms. Payne to come up with an a program to generate customer interest in the program. Dir. Toll added that the Board should consider contacting all residents with sprinklers to solicit greater participation. Asking CUD customers to participate was also discussed.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS, including:

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

The President recognized the Attorney, who stated that the website has been updated with the addition of approved minutes.

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

The President recognized the Attorney, who noted that Ms. Pomfret had finalized the non-invasive plant policy.

Discuss newsletter and take necessary action related thereto

This item was deferred.

Report on status of butterfly vine project and compost project

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

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

Review correspondence addressed to the Board

This matter was tabled.

Review correspondence sent by the District

There was no correspondence to consider.

Joint Powers Authority ("PJPA")

This item was tabled at this time.

Report on meeting of North Harris County Regional Water Authority

There was no discussion of this matter.

AS THERE WAS NO FURTHER BUSINESS TO COME BEFORE THE BOARD at this time, Dir. Daniel's motion to adjourn at 7:27 p.m., duly seconded by Dir. Toll, carried.

PASSED AND APPROVED

September 20, 2018
Date

Bill Papp
Bill Papp
Secretary of the Board of Directors