

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 132  
MINUTES OF MEETING  
October 17, 2011

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 October 17, 2011, 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 Director Mancini, thus constituting a quorum.

Also present were resident Carol Fraser with Head, Inc.; Maria Salinas Parker of Sanford Kuhl Hagan Kugle Parker Kahn, LLP, the District's Attorneys ("Attorney"); Dano Lazono of AEI Engineering, Inc., the Engineer for the District ("Engineer"); Andy Phelps and Ben Connelley of Environmental Development Partners ("EDP"), the District's Operator ("Operator"); Cindy Engelbert of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor/Collector"); Cindy Schmidt, the District's Bookkeeper ("Bookkeeper"); and Margaret McKenney, resident of the District; and Gloria Guerra and Joe Hadwin, representing the Cypresswood Place Property Improvement Association ("PIA").

In the absence of the President, the Vice President called the meeting in accordance with law and notice posted at 5:30 p.m., and the following business of the District was conducted.

**REVIEW AND APPROVE MINUTES OF MEETINGS**

Consideration was next given to the proposed minutes of August 15, 2011, September 16, 2011, September 19, 2011, and October 11, 2011.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of August 15, 2011, and September 19, 2011, as submitted.

Approval of the minutes of September 16, 2011, and October 11, 2011 was deferred.

**PUBLIC HEARING ON PROPOSED 2011 TAX RATE**

The Board opened the meeting to a public hearing on the proposed 2011 tax rate, asking members of the public if they wished to comment on the tax rate. The Board recognized Ms. McKenney who addressed the Board on the proposed tax rate. Hearing no other comments, the public hearing was adjourned.

**ORDER SETTING TAX RATE AND LEVYING TAX FOR 2011**

Consideration was next given to a proposed Order Setting Tax Rate and Levying Tax for 2011. Having conducted the public hearing as required by law and publishing notice thereof, the Board deemed it appropriate to proceed with setting the 2011 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to (1) set and levy a debt service tax rate of \$0.39 per \$100 assessed value; and (2) adopt the Order Setting Tax Rate for 2011, a copy of which is on file in the Official Records of the District.

**AMENDED NOTICE TO SELLERS AND PURCHASERS**

Consideration was given to the proposed Amended Notice to Sellers and Purchasers, which Notice sets forth the 2011 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers, a copy of which is on file in the Official Records of the District.

**HEAR FROM PUBLIC**

The Board recognized Ms. Guerra and Mr. Hadwin, who informed the Board that the back flow prevention devices on the PIA water meter were stolen resulting in a leak. The Board recognized Mr. Phelps, who stated that the PIA's water bill will be adjusted in accordance with District policy for high water usage resulting from water leaks. Mr. Phelps then explained the method of adjustment. The Board noted that no further action was necessary.

**TAX ASSESSOR/COLLECTOR'S REPORT**

The President recognized Ms. Englebert, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report, a copy of which is attached hereto. The Board noted that 98.50% of the District's 2010 taxes have been collected.

In response to a question, Ms. Englebert stated that the certified value for 2011 is \$95,420,593 which amount does not include the owner's value of the uncertified of \$7,148,196.

The Board asked Ms. Englebert to determine the number of over sixty-five exemptions granted to taxpayers in the District.

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

**DELINQUENT TAX REPORT**

The President again recognized Ms. Englebert, who submitted to and reviewed with the Board the Delinquent Tax Report as submitted by Perdue Brandon Fielder Collins & Mott LLP ("PB"), a copy of which is attached hereto.

Upon motion duly made and seconded, the Board voted unanimously to authorize the termination of water service to those taxpayers who owe delinquent taxes. The Board asked Ms. Englebert to notify PB to provide the proper notice to taxpayers who owe delinquent taxes.

## **BOOKKEEPER'S REPORT**

The President recognized Ms. Schmidt, who submitted to and reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto. Approval of the amended budget was deferred.

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

## **OPERATOR'S REPORT**

The President recognized Mr. Phelps, who submitted to and reviewed with the Board the Operator's Report, a copy of which is attached hereto.

With regard to the Operations Report, the following items were noted:

- the District has a total connection count of 681.
- the billed to pumped ratio was 84.4%. The low accountability is a direct result of the water line breaks.
- there were several water line breaks throughout the District.
- the HPT controls were repaired at the water plant.
- the cost for the repairs to the Cypresswood Utility District ("CUD") elevated storage tank totaled \$141,218.00. CUD is working with their insurance carrier for additional coverage under their claim.
- an emergency repair was made in the road right-of-way at 4603 Cypresswood Drive. While the repair site was properly secured with steel plates, the owner of a vehicle that was artificially lowered has claimed damage to his vehicle. He contacted Harris County. As a result Harris County is asking EDP to provide a bond for repairs performed in the road right-of-way. The purpose of the bond is to cover any damage to Cypresswood Drive requiring future repairs to the portion of Cypresswood Drive where the original repairs occurred, and that are directly the result of the original repairs. Ms. Parker reviewed with the Board the protocol for repairs performed by water districts in the road-right-of way. Harris County has taken the position that special law enacted for Harris County by the Texas Legislature with respect to repairs performed in the road right-of-way takes precedence over authorization granted to water districts under the Water Code. Ms. Parker stated that Harris County is threatening to sue the District if they do not receive the bond. The Board agreed that if necessary EDP should provide the bond to Harris County.
- a letter to the North Harris County Regional Water Authority ("RWA") has been drafted as requested at the September Board meeting. Said letter addresses the continuing complaints of odor and discoloration. Upon motion duly made and seconded, the Board voted unanimously to approve the letter to the RWA subject to the President's approval.
- EDP is switching to phosphate blends to increase the polyphosphate levels as a result of the odor and discoloration complaints. If these measures do not work, EDP will consider a dual feed system that will allow separate polyphosphate and ortho feeding. It was noted that a dual feed system is expensive.

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

### **TERMINATION OF WATER SERVICE**

Consideration was then given to terminating water service to those accounts listed on the Water Termination List attached to the Operator's Report. The Board noted that there was no one present at the meeting who wished to address the Board concerning their water bill or the termination of water service.

Upon motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate water service to the accounts listed on the Water Termination List, with the assistance of a peace officer, if necessary.

### **ENGINEER'S REPORT**

The President recognized Mr. Lozano, who presented the Engineer's Report, a copy of which is attached hereto.

Mr. Lozano reported that:

1. **Surface Water Line.** The pre-construction meeting for the construction of the RWA surface water supply line to the water plant was held on September 29, 2011. Notice to proceed was issued on October 3, 2011, and the estimated completion date is January 31, 2012.
2. **Chloramines Modifications.** Bids for the chloramines modifications project were received on October 11, 2011, with a low bid submitted by Tidal Construction, Inc. ("Tidal") (for the alternate bid) in the amount of \$201,001.00. Upon motion duly made and seconded, the Board voted unanimously to award the contract for the chloramines modification project to Tidal.
3. **Ground Storage Tank 210,000 gallon ("GST").** A pre-construction meeting will be held on October 19, 2011.
4. **Sanitary Sewer Rehabilitation Project.** The contractor has mobilized and has begun the initial televising process.
5. **Bond Issue No. 5 .** A Cost Summary for Bond Issues No. 5 was presented to the Board. Mr. Lozano and Ms. Parker addressed with the Board regarding the proposed bond issue; and whether to delay filing the application with the Texas Commission on Environmental Quality ("TCEQ"). Since the District has funded and will fund the projects listed in the Cost Summary with funds on hand in the Operating Account. The decision made at the last meeting to proceed with filing the application with the TCEQ was to provide a method for obtaining financing for the projects in the event operating funds were not adequate. The single largest project, which is the sanitary sewer rehabilitation project (\$1,500,000), will occur over a five year period. In light of the five year period to complete said project, the Board concurred that the District should have adequate funds in the Operating Account. If additional funds are necessary, then at that time the District can authorize filing of the bond application. The Board concurred and agreed that the bond application should not be filed at this time.
6. **Drought Contingency Plan ("DCP") Trigger Points.** Attached to the Engineer's Reports is a report which sets for the DCP triggers points for implementing mandatory water conservation, and AEI's proposed changes to the trigger points.
7. **East GST.** AEI conducted a hatch examination of the east GST. AEI recommended the replacement of the screens on the 24-inch double-gooseneck vent, and to continue with the annual evaluation inspection.

8. **GST Water Recapture.** It is not necessary to drain the tank at this time. AEI recommended that the tank not be continuously filled, but rather to attach a garden hose to the existing hose bib and run the hose to the garden. If additional pressure is necessary, then an in-line pump can be obtained to pump the water from the tank to the hose.

### **ATTORNEY'S REPORT**

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

### **Legislative Matters**

Discussion of legislation affecting water districts was deferred.

### **STRATEGIC PARTNERSHIP AGREEMENT ("SPA")**

No action was taken on the SPA.

### **PROPOSAL TO RENEW INSURANCE**

Consideration was next given to the proposal submitted by Anco McDonald to renew the District's insurance.

Upon motion duly made and seconded, the Board voted unanimously to approve the proposal submitted by Anco McDonald to renew the District's insurance, a copy of which is on file in the official records of the District.

### **Amend Rate Order**

No action was taken on amending the Rate Order; however, the Board agreed that at the November meeting the Rate Order should be amended to provide for the actual charge assessed by the RWA.

### **Garden Report**

The Board recognized Ms. Fraser who reported that:

1. the President of the Houston native Plant Society has donated plants for the Garden,
2. if the District is interested, parties who rescue native plants will provide them to the District for temporary and/or permanent care. Ms. Fraser stated that the rescued plants can be planted in the Copano easement. Ms. Parker noted that the easement prohibits digging in the easement area. Ms. Fraser stated that the plants will not be planted in the ground. Ms. Parker suggested that Copano be contacted for their consent.
3. Better Way Landscaping is performing work in the Garden that can be performed more economically by Alfonso Gomez. The Board concurred that Alfonso Gomez should perform the work.
4. the pile of treated wood needs to be removed. The Board concurred.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

PASSED AND APPROVED

November 21, 2011

Date



Secretary of the Board of Directors