

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF MEETING OF
February 21, 2011

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 21st day of February 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, thus constituting a quorum.

Also present were 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"); Carol Fraser with Head, Inc.; 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 5:32 p.m. The following business was transacted.

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

Approval of Report and Payment of Bills from Tax Account

President Mancini recognized Ms. Ahlschlager for presentation of the monthly Tax Assessor/Collector's report. A copy her firm's report, electronically mailed to the Board prior to the meeting, is attached hereto and considered a part hereof. She offered checks numbered 2381 through 2386 from the District's tax account, 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

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 such accounts, in accordance with the District's Rate Order. Dir. Daniel seconded, and the Board approved the motion by unanimous vote.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

The Operator presented thirty-seven (37) service accounts to be written off as uncollectible. Dir. Papp moved to approve relocating such accounts to the uncollectible roll, as recommended by the Operator. Dir. Daniel seconded, and the Board affirmed.

Dir. Toll moved to reinstate the normal agenda order. Upon Dir. Papp's second, the Board voted its unanimous agreement.

REVIEW AND APPROVE BOOKKEEPER'S REPORT

Approval of report, payment of bills from the Operating Account

The President then recognized Ms. Schmidt, a copy of whose Bookkeeper's report, attached hereto as a part hereof, was electronically disseminated to the Board before the meeting. She presented to the Board for its consideration and approval checks numbered 2500 through 2527, inclusive. She informed the Board that the District's checking account is now at Compass Bank. When asked, the Bookkeeper responded that the chloramine conversion project credit is payable to the District monthly over 30 years' time at 6% interest. It was agreed that the credit is to be split 50/50 with CUD as both parties split the cost of the conversion system 50/50.

Take necessary action on Depository Pledge Agreement

There was no discussion of this item.

Approve Investment report

The Bookkeeper then reviewed with the Board the District's current investment report.

Dir. Daniel motioned approval of the Bookkeeper's report. Dir. Toll seconded the motion, which garnered unanimous support from the Board.

CONSIDER AND ACT ON ENGINEER'S REPORT

Approve repair and maintenance projects within the District

President Mancini next recognized Mr. Matkin for the Engineering report, a copy of which, electronically mailed to the Board before the meeting, is attached hereto as a part hereof for all purposes. The Engineer then updated the Board as to the poor condition of the hypopneumatic tank discovered during the five-year inspection. Mr. Matkin recommended

repair of the tank as noted in his report. After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board voted unanimously to authorize the engineer to prepare recommendations and specifications for rehabilitating the hydropneumatic tank.

The completion date (9/27/10) of the chloramine conversion project was noted to differ from the one-year anniversary date (5/19/10). The Board asked the Engineer to check into the discrepancy.

The Attorney, when asked, responded that she had not heard from Copano Pipelines regarding their staking of the easement boundary at the Water Conservation Demonstration and Research Center ("the Center") garden location.

The Engineer stated that he has been reviewing prior television surveys to determine the condition of, and make further recommendations needed to, the sanitary sewer rehabilitation. He noted that EDP had made most of the point repairs but that a few would be less expensive done by another company that does this type work full time. The Engineer was asked to check into the matter.

Authorize Engineer to prepare plans and specifications for District facilities

Mr. Matkin then stated that representatives from Jacobs Engineering of the North Harris County Regional Water Authority ("RWA"), AEI, Dirs. Mancini and Papp, and Ms. Fraser had met to discuss the proposed routing of the surface water line into the water plant. The RWA expects to bid the project this June; Mr. Matkin informed the Board. Additionally the chloramine conversion equipment site will require modifications, as well, the Engineer stated. At this point, the Engineer stated, it is unclear whether an analyzer will be required for this project, but could be listed as an alternate on the bid specs. Mr. Connelley noted that there is no analyzer at the Mantana site. Dir. Papp motioned authorization for the Engineer to design an analyzer for the proposed new take point of surface water into the District. Dir. Toll seconded the motion, which was unanimously approved by the Board. The Board felt it should discuss the matter with CUD's board, considering that the districts' systems are blended.

Approve Requests for water and sewer service

There were no requests for water and sewer service to consider, Mr. Matkin stated.

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

This matter was deferred.

Dir. Toll moved to approve the Engineer's report as presented. Dir. Daniel seconded the motion, which received unanimous support from the Board.

CONSIDER AND ACT ON ATTORNEY'S REPORT, cont.

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

Review correspondence addressed to the Board

There was no such correspondence to consider.

Review correspondence sent by the District

This item was deferred.

Joint Powers Authority ("PJPA")

Discussion of this item was tabled.

Report on meeting of North Harris County Regional Water Authority

This matter was deferred.

CITING NO FURTHER BUSINESS TO COME BEFORE THE BOARD AT THIS TIME, Dir. Toll's motion to adjourn at 8:04 p.m., duly seconded by Dir. Daniel, carried without dissent.

PASSED AND APPROVED

March 21, 2011
Date

Bill Papp
Bill Papp
Secretary of the Board of Directors