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COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

06 October 2008

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 6th day of October 2008, at 10:00 a.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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| John D. Shannon | President |
| Thomas Mancini | Vice President |
| T. Gary Toll | Secretary |
| William R. Papp | Assistant Secretary |
| Robert "Bob" Daniel | Assistant Secretary |

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

Also present were Maria S. Parker of Coats, Rose, Yale, Ryman & Lee, P.C., the District's Attorneys ("Attorney;") Mark Adam and Tom Matkin of AEI Engineering, Inc., the District's Engineer ("Engineer;") 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;") and Sherry Allard, the District's Recording Secretary ("Recording Secretary.")

The meeting was called to order at 10:01 a.m. by President Shannon, who announced all business to appropriately come before the Board at this time would be considered.

DISCUSS 2008 TAX LEVY AND TAKE ACTION THEREUPON, INCLUDING CALLING PUBLIC HEARING

The President first called upon Ms. Ahlschlager, who discussed with the Board historical information relating to the tax levy. She noted last year's tax rate, the District's assessed value, and average house price. She then reviewed the effective tax rate calculation with the Board. After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board voted unanimously to act upon the recommendations of the Tax Assessor/Collector and express its intent to levy a total of \$.35 maintenance and operations tax for 2008.

She informed the Board she would speak with the Attorney to schedule the one hearing, the second of which would fall on the date of the Board's regular October meeting. After conclusion of the second hearing, the Board may officially set its tax rate, Ms. Ahlschlager stated.

ACCEPT PROPOSAL TO RENEW INSURANCE

The President called upon Dir. Papp to discuss the District's insurance policies with the Board. Dir. Papp stated that only one proposal was received, that being from ANCO, though he had requested a proposal from AquaSurance. Stating that he may be doing some promotional work for ANCO later in the year, Dir. Papp stated that he would abstain from any voting on ANCO's proposal. Mr. Adam wondered whether the garden were included in the proposal, which was unknown. Additionally there may be liability related to the garden's public use, which should be considered by the Board. Also the removal of the fence could increase exposure, Mr. Adam stated. Those, as well as certain other details, need to be clarified, Dir. Papp stated. Noting the expiration date of the policy, Dir. Toll moved to approve renewing the District's insurance policies with ANCO, increasing the liability coverage, with certain details of coverage to be clarified at the next regularly scheduled Board meeting. Dir. Daniel seconded and the Board affirmed, with Dir. Papp abstaining. Dir. Papp was asked to contact ANCO to resolve the District's remaining issues.

REVIEW AND APPROVE MINUTES OF MEETING OF AUGUST 18, 2008, SEPTEMBER 11, 2008 AND SEPTEMBER 15, 2008

Approval of the minutes from prior Board meetings was then considered. The President asked for any corrections to the August 18, 2008 minutes. Dir. Toll moved to approve the minutes of the August 18, 2008 meeting, as presented. Dir. Papp seconded, and the Board affirmed. Action upon the other two sets of minutes was deferred at this time.

REVIEW AND APPROVE TAX ASSESSOR/COLLECTOR'S REPORT

Approval of Report and Payment of Bills from Tax Account

The President asked Ms. Ahlschlager to review with the Board her current Tax Assessor/Collector's report, a copy of which is attached as a part hereof for all purposes. Ms. Ahlschlager presented tax account checks for the Board's approval and signature.

Report on Status of Tax Collections, Authorize Termination of Water Service To Delinquent Tax Accounts, and Authorize Filing Of Suit To Foreclose Tax Lien On Delinquent Accounts

The Tax Assessor/Collector stated she had not received a report from Perdue, Brandon, et al, the District's Delinquent Tax Attorney. Dir. Toll noted that he had received an email from the Delinquent Tax Attorney earlier today, so the Board briefly discussed the report, while making no additional directives. Dir. Papp moved to approve the Tax Assessor/Collector's report, including payment of the bills from the tax account, as presented. Dir. Toll seconded the motion, which received unanimous support from the Board.

BOOKKEEPER'S REPORT

Ms. Schmidt's report was considered at the September 15, 2008 meeting, it was noted.

CONSIDER AND ACT UPON OPERATOR'S REPORT

This report was also considered at the September 15, 2008 meeting. Dir. Papp noted that there have been numerous kudos to the Operator for his continuous and uninterrupted service of water to the District throughout the hurricane.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

President Shannon called upon the Engineer for his monthly report, made available to the Board prior to the meeting and considered a part of these minutes. Mr. Adam stated that the Operator is reviewing the sanitary sewer data for repair consideration.

Authorize Engineer to prepare plans and specifications for District facilities

The Engineer was asked about the plans for a chloramines conversion plant. He stated that engineers continue discussing the matter with the Authority. The Mantana plant would be the most expensive site, he noted. The matter was recently discussed at the Joint Facilities meeting, Dir. Papp stated, and at the Authority meeting, Dir. Mancini added.

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

There was nothing new to discuss at this time.

Report on emergency generator and take necessary action related thereto

The conversation centered upon sound planning and good fortune to have the natural gas-powered generator operational when hurricane "Ike" struck. Operator Ben Connelley stated that some 1,701 hundred cu. ft. of natural gas was used during the storm.

CONSIDER AND ACT ON ATTORNEY'S REPORT

Approve DbLive Program and take all necessary actions related thereto, including approval of expenditure of funds and entering into contracts

The President then asked Ms. Parker for her legal report. She stated that the DbLive matter has quieted and she is aware of no activity in this regard. Her only other matters related to setting the tax rate and holding the necessary hearings, she noted.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS

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

There was no discussion pertaining to the website.

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

Pres. Shannon called upon Dir. Papp, who reported that he had spoken with Ms. Payne, who told him that Ms. Fraser was in Seattle, discussing future plans for the garden with associates there. Ms. Fraser had viewed the small amount of damage to the garden from the hurricane. Dir. Papp relayed to the Board that she feels it is time to set up the rain barrels on pavers. The handyman has already constructed the structures upon which the barrels will be seated, Dir. Papp added. The Engineer, when recognized, informed the Board that the fence has been completed.

Discuss newsletter and take necessary action related thereto

There was no discussion of the next newsletter.

Report on status of butterfly vine project and compost project

The butterfly vine project was not discussed.

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

Review correspondence addressed to the Board

There was no correspondence to review.

Review correspondence sent by the District

There was no discussion of this item.

Report on meeting of Ponderosa Joint Powers Authority ("PJPA")

No report was given.

Report on meeting of North Harris County Regional Water Authority

Dir. Mancini, when recognized, reported that the Authority predicts that the average cost of chloramines conversion plants would be between \$240,000 and \$250,000. Dir. Papp noted that the blended District with CUD (with 3 take sites) would cost perhaps \$750,000.

NOTING THERE WERE NO OTHER AGENDA ITEMS TO DISCUSS, Dir. Mancini's motion to adjourn at 10:49 a.m., which motion was duly seconded by Dir. Papp, carried by unanimous vote.

PASSED AND APPROVED

October 20, 2008
Date

T. Gary Toll
T. Gary Toll
Secretary of the Board of Directors