

HC132- Orig.
m.d.

COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

15 December 2008

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 15th day of December 2008, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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 of AEI Engineering, Inc., the District's Engineer ("Engineer;") Mike Ammel 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.")

The meeting was called to order at 5:30 p.m. by President Shannon, who announced all business to appropriately come before the Board at this time would be considered.

REVIEW AND APPROVE MINUTES OF MEETINGS OF NOVEMBER 17, 2008 AND DECEMBER 3, 2008

The President asked that the Board consider approving minutes of prior meetings. Dir. Papp motioned to approve the minutes of the 17 November 2008 meeting as presented. Dir. Toll seconded, and the Board affirmed. Thereafter, upon motion duly made and seconded by Dirs. Toll and Daniel, respectively, the Board voted unanimously to approve the minutes of the December 03, 2008 meeting.

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

Approval of Report and Payment of Bills from Tax Account:

The President recognized Ms. Ahlschlager, who disseminated to, and reviewed with, the Board the Wheeler & Associates' tax report for November 2008. The Tax Assessor/Collector then presented checks from the Tax Account for consideration and payment.

Report on status of tax collections, authorize termination of water service to delinquent tax accounts and authorizing filing of suit to foreclose tax line on delinquent accounts.

Ms. Ahlschlager then reported that, whereas 2.44% of the 2007 taxes had been paid at this time last year, 6.11% of the 2008 year's taxes have been collected to date. The Board and she discussed collections viz a viz the problems in the economy currently. The Tax Assessor/Collector discussed with the Board the Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue, Brandon") report on District tax delinquencies. Ms. Ahlschlager stated that there were no accounts warranting termination for nonpayment of bill(s) at this time. Dir. Papp moved to approve the Tax Assessor's report and payment of the bills, and Dir. Daniel seconded, upon which the Board voted unanimously to approve the motion.

BOOKKEEPER'S REPORT

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

Ms. Schmidt was then recognized by President Shannon for the District's financial report, copy of which, attached hereto and considered a part hereof, was made available to the Board prior to the meeting. Ms. Schmidt stated that she had purchased an additional certificate of deposit ("CD") as well as the one the Board had directed, both at Compass Bank, with yields of 3% and 3.05%, respectively. The Bookkeeper then reviewed with the Board the current Investment report. After discussion, upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's report, Investment report, and payment of the bills.

Approve budget for fiscal year ending December 31, 2009

The Board next considered the budget for fiscal year ending December 31, 2009. The Board discussed figures in the water garden, chloramines conversion, and engineering categories. Dir. Papp moved to approve the budget as presented. Dir. Toll seconded, upon which the Board voted its unanimous consent.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

The President asked Mr. Adam for the Engineering report, copy of which, attached hereto as a part hereof, was disseminated to and discussed with the Board at this time. The Engineer showed the Board photographs of the storm sewer outfalls deterioration. He was asked to notify the county of the situation.

Authorize Engineer to prepare plans and specifications for District facilities

Mr. Adam stated that he had prepared the priority list of repairs for the rehabilitation of the sanitary sewer system. The Operator will be performing certain point repairs, the Engineer reminded the Board, before the lining project can begin. The Engineer then discussed the ground storage tank modification bids that had been received earlier in the year. Mr. Adam stated that he could recommend each of the two remaining contractors bidding on the project. Motion by Dir. Mancini, with Dir. Papp seconding, to approve the bid submitted by low bidder Utility Service Co., Inc. for the ground storage tank modifications, carried without dissent.

Mr. Adam informed the Board that he had completed the design for the chloramines conversion plant(s,) including a new building. The Board discussed with the Engineer and Operator the storage needs for the building at the Evening Trail site. No action was taken.

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 Engineer discussed with the Board the new program for FEMA grants for items such as emergency generators. If the District were selected after Phase I by FEMA, the District would be still be required to submit additional information to Phase II of the grant program, Mr. Adam explained. If approved after the second submittal phase, the District would qualify for the FEMA grant, the Engineer noted. Dir. Papp moved to authorize the Engineer to apply for a FEMA grant on behalf of the District for generators at the lift station and the water plant. Dir. Toll seconded, and the Board affirmed.

CONSIDER AND ACT UPON OPERATOR'S REPORT

President Shannon recognized Mr. Ammel for the Operator's report, disseminated to and reviewed with the Board. A copy of the report is attached to these minutes and considered a part hereof. He discussed the work he had done for the FEMA grant. The Operator is investigating various models of dialers to replace the malfunctioning lift station dialer.

Authorization of Repairs to Water Supply System and Wastewater Collection System

Mr. Ammel then informed the Board that he had begun making the point repairs relative to the sanitary sewer rehabilitation as discussed by the Engineer.

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

The Operator presented the list of accounts slated for termination, in accordance with the specifications in the District's Rate Order. There was no customer present to discuss his/her account delinquency, it was noted. After review, Dir. Papp's motion to approve the eighty-four terminations presented by the Operator, duly seconded by Dir. Toll, carried unanimously.

ATTORNEY'S REPORT

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

President Shannon called upon Ms. Parker for the Attorney's report. The Attorney stated that she has had no communication with Mr. Fairey of DbLive.

Consider and approve request from Cypress Creek Flood Control Coalition ("Coalition")

The Attorney informed the Board that the Coalition is requesting that each MUD in the area donate funds to aid its efforts. Dir. Papp stated that he has resigned from the Coalition board and is asking that the Board not donate funds at this time to the Coalition, as he feels their work no longer reflects their mission statement. No action was taken at this time.

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

In Ms. Payne's absence, Dir. Toll discussed the landscape garden issues. He stated that the bid to tear down the tallow tree was \$380. The Board discussed the matter and agreed to the sum if the tree stumps could be removed additionally. Motion by Dir. Toll, seconded by Dir. Papp, to authorize the expenditure of \$380 to remove the tallow tree and 2 tree stumps from the landscape garden, upon receipt of the appropriate certificate of insurance from the contractor performing the work, received full Board support.

Discuss newsletter and take necessary action related thereto

There was no discussion of the newsletter.

Report on status of butterfly vine project and compost project

There was no discussion of the butterfly vine.

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

Review correspondence addressed to the Board

There was no correspondence to consider.

Review correspondence sent by the District

There was no correspondence to address.

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

No report was given.

Report on meeting of North Harris County Regional Water Authority

Dir. Daniel reported that some 40 miles of pipe have now been installed by the Authority's contractors. Only one property easement remains in question, Dir. Daniel stated. Things are going quite well, Dir. Mancini added.

The President, noting there was no other business to come before the Board, asked for a motion to adjourn. Dir. Daniel's motion, seconded by Dir. Toll, to approve adjournment at 7:00 p.m., carried without disagreement.

PASSED AND APPROVED

January 19, 2007
Date

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