

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

17 March 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 17th day of March 2008, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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

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

Also present were Maria 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.")

President Daniel called the meeting to order at 5:30 p.m., and the following business was transacted. The President recognized Dir. Papp, who moved to change the order of the day. Upon Dir. Toll 's second, the Board voted unanimously in agreement to recognize the Operator.

CONSIDER AND ACT UPON OPERATOR'S REPORT

The President recognized Mr. Ammel for the Operator's report, a copy of which, disseminated to the Board previously, is attached hereto and considered a part hereof. Mr. Ammel reported that 15 of the 22 repairs identified during smoke testing have been completed to date. Surveying irrigation system customers for more information about their sprinkler systems is about 75% complete, he reported. As the flow meter was not functioning properly, the Operator reported that he had estimated the District's water usage, which was noted to be low at 82.2%. Mr. Thiry is trying to determine the location of the leak, the Operator stated. The on-going meter replacement program resulted in replacement of 20 residential meters that were either broken or registering greater than one million gallons, Mr. Ammel stated. After repair, NTS reinstalled the #2 lift pump, he added.

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. He did note that there were no accounts disconnected last month. After review, Dir. Papp's motion to approve terminations presented by the Operator, duly seconded by Dir. Toll, carried unanimously.

Authorization of Repairs to Water Supply System and Wastewater Collection System

The Operator stated that there were no items that would require the Board's authorization.

REVIEW AND APPROVE MINUTES OF MEETINGS OF JANUARY 30, 2008 AND FEBRUARY 18, 2008

Approval of the minutes from prior Board meetings was first considered. The President asked for any corrections to the cited minutes. Dir. Mancini moved to approve the minutes of the January 30, 2008 and February 18, 2008 meetings, as prepared. Dir. seconded, and the Board affirmed.

REVIEW AND APPROVE TAX ASSESSOR/COLLECTOR'S REPORT

The President then recognized Ms. Ahlschlager for the Tax Assessor/Collector's report, a copy of which is attached hereto and considered a part hereof. The Tax Assessor/Collector informed the Board that she had made a wire transfer this day of \$20,000 that would not be reflected in the written report.

Approval of Report and Payment of Bills from Tax Account

Ms. Ahlschlager's report itemized the checks prepared from the tax account that were presented to the Board for consideration of disbursal.

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

Review of the Tax Assessor/Collector's report indicated that 2007 taxes are now 94.55% collected compared to 83.56% last year at this time. Ms. Ahlschlager, when reviewing the Perdue, Brandon, *et al* Delinquent Tax Account report, informed the Board that customer account number 124-639-001-0001 has been paid in full. Other accounts listed in the Delinquent Tax Attorney's report remain delinquent at this time, Ms. Ahlschlager noted. Dir. Toll motioned approval of the Tax Assessor/Collector's report. Dir. Papp seconded, and the Board voted unanimously in support of the motion.

BOOKKEEPER'S REPORT

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

At this time, Ms. Schmidt was then asked to update the Board as to the District's financial position. Her report, copy of which is attached hereto and considered a part hereof for all purposes, enumerates the checks for consideration and approval by the Board. The Bookkeeper announced that all 4th quarter joint maintenance items have been settled with Cypresswood Utility District's ("CUD") bookkeeper. She stated that the District's share of engineering fees for the generator for the fourth quarter is \$2,300, but that CUD is still awaiting delivery of the automatic transfer switch for installation, per Mr. Connelley. Ms. Schmidt reviewed with the Board the District's current Investment report. Dir. Toll moved to approve payment of the bills, the Bookkeeper's report and Investment report as presented. Dir. Papp seconded the motion, which received unanimous support from the Board.

CONSIDER AND ACT ON ENGINEER'S REPORT

Review repair and maintenance projects within the District

Mr. Mr. Adam was then called upon by the President for the Engineer's report for the month of February 2008, copy of which, disseminated to Directors prior to the meeting, is attached to, and considered a part of, these minutes. The Engineer informed the Board that he had solicited bids for repair consisting of piping modifications to the ground storage tank but received only one response. The annual assessment of the tank will be accomplished when the tank is down and prepared for repair by JoCo, Mr. Adam stated. Dir. Papp motioned approval of the JoCo, Inc. proposal of \$24,800 to do the required piping modifications to the ground storage tank. Dir. Toll seconded the motion, which garnered unanimous support from the Board.

Mr. Adam stated that he is working with the Operator to prioritize point repairs and line rehabilitation segments related to the sanitary sewer rehabilitation, and he and Mr. Ammel will have recommendations at the April meeting.

The Engineer reported that there has been no response from the County on the storm sewer outfalls matter and that he would again write to the County.

Authorize Engineer to prepare plans and specifications for District facilities

There was no discussion in this regard.

Requests for water and sewer service

There were no new requests for water and sewer 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

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

Report on emergency generator and take necessary action related thereto

The Operator Mr. Connelley reiterated that he had attended the pre-construction meeting, in which the project duration was estimated at 45 days' time, with a start date of February 26, 2008.

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 called upon the Attorney for a legal update on the District. Ms. Parker recognized Dir. Mancini, who stated that he had spoken with Mr. Fairey recently, and the monitoring devices should be ready for delivery in about ten (10) days' time. Mr. Ammel indicated to Dir. Papp earlier that the data required for participation in the pilot program, i.e. ownership of the residence, current status on payment of taxes and water bill, and very high monthly water usage, was accessible in the computer. Dir. Papp stated that he would contact the Cypresswood Place Homeowners' Association about next Wednesday's meeting to inform the residents about the pilot program.

The monitoring devices will be installed near the residents' existing sprinkler controller, it was agreed. Regarding the installer, it was noted that such individual must have the appropriate insurance bonding.

Joint Facilities Meeting with Cypresswood Utility District ("CUD")

Ms. Parker informed the Board that she had spoken with the attorney for CUD about the joint maintenance meeting, and the CUD attorney stated that the special meeting could be scheduled for 24 April 2008.

The Attorney stated that the next meeting with CUD is scheduled for March 25, 2008. The Board asked the Attorney to request that CUD's attorney route the agenda to their board members.

CONSIDER AND ACT ON REPORT FROM PAYNE COMMUNICATIONS

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

This item was tabled at this time.

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

Dir. Papp asked about the removing of the railroad ties from the garden, per Ms. Fraser's request. There was brief discussion, with no action being taken. The Engineer reported that he had given drawings to Dir. Toll for review and the Board's consideration of modifications to the water garden.

The Engineer stated that he needs further information before going to the City of Houston and Centerpoint to seek a waiver or vertical easement at the garden fence. Dir. Toll stated that at

the special meeting scheduled for next Wednesday, it would be appropriate to determine what precisely would be installed, thereby identifying the planned construction for the Engineer to seek the vertical easement. Dir. Toll further stated that he would prepare a map of the sprinkler zones at the garden and speak with Mr. Murr about improving the maintenance program.

Discuss newsletter and take necessary action related thereto

There was no discussion about the newsletter, due to Ms. Payne's absence.

Report on status of butterfly vine project and compost project

The matter was deferred.

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

Review correspondence addressed to the Board

Relative to the letter and award earned from PLANET (Professional Landcare Network Awards Committee), Dir. Papp stated that he had attended the awards ceremony to accept the District's award and was very impressed with the District's competition for such award. The District won over numerous prestigious colleges and other large, important groups, he stated.

Additionally, Dir. Papp reported that there was correspondence (electronic mail) from the Alliance for Water Efficiency administrative director, who verified that the District would be listed as a charter member sponsor, with links to the District's website. The Board was very pleased at the news.

Review correspondence sent by the District

The Board deferred discussion of this item.

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

Dir. Mancini asked that this item be deleted, since the Board members receive minutes from PJPA each month. The Board discussed whether a consent agenda might reduce the repetitive reports and those for which the Board regularly receives reports via email or mail. It was agreed to place the matter of a consent agenda on the April agenda.

Report on meeting of North Harris County Regional Water Authority

The President then recognized Dir. Toll, who reported that it appears that the Authority is really making good progress toward completion of the water delivery infrastructure and plans to provide water for those 2010 customers.

THE PRESIDENT ASKED FOR A MOTION TO ADJOURN, as there was no other business to conduct at this time. Dir. Papp's motion, seconded by Dir. Shannon, to adjourn the meeting at 6:48 p.m., carried by common consent.

PASSED AND APPROVED

April 21, 2008
Date

T Mancini
Tom Mancini
Secretary of the Board of Directors