

**MINUTES OF MEETING OF
BOARD OF DIRECTORS
JANUARY 27, 2010**

THE STATE OF TEXAS

COUNTY OF HARRIS

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132**

§
§
§
§
§
§

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 132 (the "District") met in special session, open to the public, on Wednesday, January 27, 2010, at 4107 Evening Trail, Spring, Texas, 77388 a designated meeting place of the Board inside the boundaries of the District; whereupon the roll was called of the 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 of Directors were present, thus constituting a quorum.

Also attending the meeting were Al Rendl with the North Harris County Regional Water Authority ("RWA"); Messrs. Chris Eckoff, Tom Fairey and Frank Niendorff with DbLive; Jay Hartley with Wise Guy Program, Doug Goodwin, members of the public listed on the attached Attendance Sheet and Maria Salinas Parker with Sanford Kuhl Kugle Parker Hagan LLP.

The President called the meeting to order and the following business was transacted.

TERMINATION OF AGREEMENT WITH COATS/ROSE

Consideration was first given to terminating the District's contract with Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats/Rose"). The Board recognized Ms. Parker, who submitted to the Board a letter from SKKPH stating that (1) Ms. Parker is no longer associated with Coats/Rose and is now with the firm of SKKPH, (2) that Coats/Rose recognizes that Ms. Parker has been the primary Attorney for the District for many years, and that Coats/Rose is willing to resign as legal counsel to the District, if the District so desires, and (3) that Coats/Rose is willing to waive the fourteen (14) day termination notice period.

Upon motion duly made and seconded, the Board voted unanimously to terminate the District's contract with Coats/Rose and to authorize the President to acknowledge the aforesaid letter.

LEGAL FEE AGREEMENT WITH SKKPH

Consideration was then given to engaging SKKPH as counsel to the District. The President recognized Ms. Parker, who submitted to the Board information regarding the firm of SKKPH. Ms. Parker also submitted a proposed Legal Fee Agreement, noting that said Agreement is identical to the one with Coats/Rose, with the exception of the bond fee, which under the SKKPH Agreement is 2% (under the Coats Rose agreement the bond fess was 1%).

Upon motion duly made and seconded, the Board voted unanimously to engage the firm of SKKPH as legal counsel to the District and to approve the Legal Fee Agreement with SKKPH.

AMENDED AND RESTATED RESOLUTION REGARDING POSTING NOTICES OF MEETINGS.

Consideration was next given to a proposed Amended and Restated Resolution Regarding Posting Notice of Meetings.

Upon motion duly made and seconded, the Board voted unanimously approve the Amended and Restated Resolution Regarding Posting Notice of Meetings, a copy of which is on file in the official records of the District.

AMENDED AND RESTATED RESOLUTION ESTABLISHING ADMINISTRATIVE OFFICE AND MEETING PLACE OF THE DISTRICT

Consideration was then given to a proposed Amended and Restated Resolution Establishing Administrative Office and Meeting Place of the District.

Upon motion duly made and seconded, the Board voted unanimously to approve the Amended and Restated Resolution Establishing Administrative Office and Meeting Place of the District, a copy of which is on file in the official records of the District.

The Board then convened to the Cypresswood Clubhouse, 3705 Cypresswood Drive, Spring, Texas 77338, to conduct a public forum on water conservation and the DbLive Program.

At this time the President opened the public forum and introduced the members of the Board and discussed the purpose of the meeting.

The President then recognized Mr. Rendl, who addressed the public on the importance of water conservation.

Mr. Goodwin was then recognized who discussed operations of sprinkler systems, the importance of proper maintenance of same and use of same. Sprinkler systems are not conducive to water conservation, specifically automated systems which are programmed to run regardless of rain.

Mr. Hartley addressed the forum on the importance of proper maintenance and inspection of automated sprinkler systems to detect leaks and other problems.

Mr. Fairy then addressed the forum on the DbLive program. The DbLive program has an IDD device that accurately detects rain. The IDD is installed on the control panel for the sprinkler system. If rain is detected the IDD will emit a signal to prevent the sprinkler system from operating. This will save customers money (not using water) and conserve water.

The District would like to run a pilot program on the IDD. The District would be willing to (1) install the IDD on participating customer's control panels, (2) evaluate a customer's irrigation system and (3) pay the cost to install the IDD system on the sprinkler control panel as well as the monthly cost for IDD for one year. This will allow the District and customers to witness first hand the efficacy the DBLive Program.

There being no further business to come before the Board, the meeting was adjourned.

Approved this February 15, 2010

W. P. Payne
Secretary, Board of Directors