

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF MEETING OF
January 17, 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 17th day of January 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, except Dir. Daniel, 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"); Cindy Schmidt, the District's Bookkeeper ("Bookkeeper"); and Sherry Allard, the District's Recording Secretary ("Recording Secretary").

The meeting was called to order at 6:41 p.m. by President Mancini, who announced all business to appropriately come before the Board at this time would be considered.

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

Approval of Report and Payment of Bills from Tax Account

The President recognized Ms. Ahlschlager for the Tax Assessor/Collector's report for the month of November 2010. Her report had been made available to the Board prior to the meeting, it was noted. Other than the two (2) checks presented for approval from the District's tax account, Ms. Ahlschlager informed the Board that a wire transfer of maintenance and operating taxes totaling \$175,000 had been made on January 1, 2011.

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

The Tax Assessor/Collector showed the Board that 2010 tax collections to date represent 54% of the total taxes due, which compares favorably with last year's 49.21% of the 2009 taxes collected

thru the year's end. She informed the Board that there were no action items for the Board's consideration this month. She did note that she would again check into the status of the Environmental Strategies account, which has not been removed from the District's rolls.

She reviewed with the Board the current Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") report, which, for these minutes, is considered a part of her report. Dir. Papp made a motion to approve the Tax Assessor/Collector's report as presented. Dir. Toll seconded, and the Board vote was unanimous in approval.

REVIEW AND APPROVE MINUTES OF MEETINGS OF JULY 2, 2009, DECEMBER 15, 2010 and DECEMBER 20, 2010

The President asked that the approval of past minutes be given next consideration. After review, upon motion made by Dir. Papp, seconded by Dir. Daniel, the Board voted unanimously to approve the minutes of the December 15, 2010 meeting as written. After review, Dir. Papp motioned to approve the December 28, 2010 minutes as prepared. Dir. Bonetati seconded, and the Board voted in agreement. Thereafter Dir. Papp asked that the December 20, 2010 minutes be accepted as presented, to which Dir. Daniel seconded, and the Board affirmed.

Upon motion duly made and seconded by Dirs. Papp and Toll, respectively, the Board unanimously approved interrupting the agenda order to discuss the status of the Loring Lane project.

CONSIDER AND ACT ON ATTORNEY'S REPORT

Discuss Drainage Issues on Loring Lane and Take Action Related Thereto

The President noted that Ms. Lane had appeared before the meeting and presented the check for the residents' portion of the project expenses. The President then called upon Mr. Phelps, who stated that, with such payment in hand, he would instruct the contractor to proceed with the project.

CONSIDER AND ACT UPON OPERATOR'S REPORT

The President then recognized Mr. Phelps for the Operator's report for the month. His report, a copy of which is attached hereto and considered a part hereof, was availed the Board prior to the meeting. A survey of the storm sewer showed two (2) leaks that have since been repaired. The leaks did reflect water accountability, primarily last month, it was noted. Water accountability this month registered 95.6%, with 95.4% noted for the year.

Authorization of Repairs to Water Supply System and Wastewater Collection System

The Operator informed the Board that Cypresswood Utility District ("CUD") received estimates of \$130,000 for the well pump repairs at the CUD Mantana Water Plant. Thus they have not approved the repairs and will revisit the matter at the next Board meeting, Mr. Phelps stated. The Operator informed the Board that there was a main break underneath the concrete parking lot at the apartments.

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

Eighty-nine (89) accounts slated for termination were presented to the Board. No customer attended the meeting to discuss the status of his delinquent account, it was noted. Dir. Papp moved to terminate service to such accounts, in accordance with the District's Rate Order. Dir. Toll seconded, and the Board approved the motion by unanimous vote.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

This matter was not discussed.

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

Dir. Papp moved to reinstate the agenda order. Upon Dir. Toll's second, the Board voted unanimously in agreement.

REVIEW AND APPROVE BOOKKEEPER'S REPORT

Approval of report, payment of bills from the Operating Account

The President then called upon Ms. Schmidt, who disseminated to and reviewed with the Board the Bookkeeper's report, a copy of which is attached hereto as a part hereof. She informed the Board that she had voided check no. 2367, but that checks numbered 2368 through 2384, inclusive, were presented to the Board for its consideration and approval. When Dir. Toll asked, she stated that she would prepare an electrical report for the District computer and forward same to him. Ms. Schmidt had signature cards for the Board from the new bank.

Dir. Toll moved to pay the Non-Profit Corporation \$10,000 of the \$60,000 budgeted for the Non-Profit Corporation (the entity that will manage the Center. Upon Dir. Bonetati's second, the Board unanimously approved the motion.

Take necessary action on Depository Pledge Agreement

Discussion of this item was tabled.

Approve Investment report

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

Dir. Papp moved to approve payment of bills, the Bookkeeper's report, and the Investment report, as presented. Dir. Toll seconded, and the Board affirmed.

CONSIDER AND ACT ON ENGINEER'S REPORT

Approve repair and maintenance projects within the District

The President then called upon Mr. Matkin for the Engineering report, a copy of which is attached to these minutes as a part hereof. Mr. Matkin stated that he had spoken with Mr. Rolon of the North Harris County Regional Water Authority ("RWA") about the status of the District's proposed well or alternative solution. The President stated that he had also spoken with Mr. Rolon on the matter. It is important that improvements to the Water Conservation Demonstration and Research Center ("the Center") are not adversely affected by the project, the Board noted. The Engineer expected to be able to provide the Board with an update at the next Board meeting, he stated.

The Engineer then discussed with the Board the five-year inspection of the hydropneumatic tank. Dir. motioned approval of the hydropneumatic tank inspection. Dir. Bonetati seconded, and the Board voted unanimously in favor of the motion.

The chloramine conversion project is complete and has been placed into service, Mr. Matkin informed the Board. The qualified credits for the project will be applied to monthly RWA fees, the Engineer stated.

Copano Pipelines has not yet staked their easement boundary at the Center garden location, the Engineer stated. He stated that he would discuss the matter with the Attorney.

Authorize Engineer to prepare plans and specifications for District facilities

This matter was deferred.

Approve Requests for water and sewer service

There were no requests for water and sewer service at this time, 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. Papp moved to approve the Engineer's report. Dir. Bonetati seconded the motion, which received unanimous approval by the Board.

CONSIDER AND ACT ON ATTORNEY'S REPORT, cont.

Ms. Parker informed the Board that she had received the Joint Facilities agreement from CUD with the changes regarding quarterly billing. Dir. Papp made a motion to approve the Joint Facilities agreement with CUD as amended. Dir. Bonetati seconded, and the Board vote was unanimous in approval.

Discuss Strategic Partnership Agreement ("SPA") and Take Action Related Thereto

The Attorney stated that she had forwarded to the City of Houston ("the City") the additional businesses in the District for the purposes of the Strategic Partnership Agreement ("SPA"). Sales tax will be increased by \$.01 beginning April 2011, she noted.

Report on Creation of Non-profit Corporation for Demonstration Center and take action related thereto

This matter was not discussed.

After review, Dir. Papp's motion to approve the Attorney's report, duly seconded by Dir. Toll, carried unanimously.

CONSIDER AND ACT ON REPORT RELATING TO WATER CONSERVATION DEMONSTRATION AND RESEARCH CENTER" ("CENTER"), including:

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

The President recognized Dir. Papp, who informed the Board that he had spoken with Ms. Payne about making a logo for the nonprofit organization and a recent publicity draft she had made. After discussion, the Board felt that the font selected on the copy was too ornamental and the color variegated. The Board would like to use the water drop (like the one used in the District's logo) and add other elements particular to the nonprofit organization. The Board asked Dir. Papp to revisit the issue with Ms. Payne.

Discuss newsletter and take action related thereto

This item was tabled at this time.

Report on status of butterfly vine project, Sustainable Site and DbLive Program

The President informed the Board that he had sent an email to Jay Hartley regarding the addition of two (2) other individuals interested in participating in the pilot sprinkler program. It was discussed that any qualified plumber could perform inspections and repairs to residents' systems before obtaining the sprinkler devices.

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

There was no correspondence to review.

Joint Powers Authority ("PJPA")

Discussion of this item was tabled.

Report on meeting of North Harris County Regional Water Authority

This matter was deferred.

AS THERE WAS NO FURTHER BUSINESS TO COME BEFORE THE BOARD AT THIS TIME, Dir. Papp's motion to adjourn at 7:02 p.m., duly seconded by Dir. Daniel, carried.

PASSED AND APPROVED

February 21, 2011
Date

Bill Papp
Bill Papp
Secretary of the Board of Directors