

HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF MEETING OF  
September 19, 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 19<sup>th</sup> day of September 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. Toll, thus constituting a quorum.

Also present were Maria Parker of Sanford Kuhl Hagan Kugle Parker Kahn, LLP, the District's Attorneys ("Attorney"); Dano Lozano of AEI Engineering, Inc., the District's Engineer ("Engineer"); Eric Thiry and Ben Connelley of Environmental Development Partners ("EDP"), the District's Operator ("Operator"); Cindy Englebert of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor/Collector"); Carol Fraser with Head, Inc.; 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 Mancini, who asked that all business to appropriately come before the Board at this time be considered.

Dir. Papp moved to interrupt the agenda order to recognize the Operator. Dir. Daniel seconded, upon which the Board voted its unanimous consent.

CONSIDER AND ACT UPON OPERATOR'S REPORT

President Mancini asked Mr. Thiry to review with the Board the Operator's report for August 2011, a copy of which, attached hereto and considered a part of these minutes, was accessible to the Board prior to the meeting. The Operator reported the water accountability ratio to be 93.4% for August and 93.2% for the year.

Mr. Thiry informed the Board that EDP had made emergency repairs to La Ravinia Apartment's rear 8" water main. The repair required removing a portion of the parking lot, he added. EDP determined that the age and condition of the line necessitated replacement with PVC C-900 pipe. Forty feet of line was removed and replaced with C-900 pipe on September 9, 2011, Mr. Thiry continued. EDP also installed a new 8" gate valve to isolate the area should future access be required. Water service to the Falcon Ridge and Cypresswood Apartments was not interrupted by the project, Mr. Thiry stated.

Another emergency main repair was required at 4603 Cypresswood Drive, Mr. Thiry informed the Board, to a leaking 8" AC water main underneath Cypresswood Drive. This work required removal of a portion of the cited road and installation of steel plates over the construction site to allow traffic to continue. The following day a Honda vehicle drove over the steel plates and damage to the car's oil pan

and exhaust system resulted, the Operator reported. The Attorney stated that EDP, as agent for the District has the authority to work in the road right-of-way. The Board asked her to write a letter to Harris County regarding the District's authority to work in the road right-of-way.

The Board then discussed the surface water received from the North Harris County Regional Water Authority ("RWA") recently. Operator Mr. Connelley stated that there has been an increase in customer complaints. The Attorney suggested that the RWA be notified of the increase in customer complaints. The Board asked Mr. Thiry to draft a letter on the matter for the President's signature to be sent to the RWA.

Authorization of Repairs to Water Supply System and Wastewater Collection System

No action.

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

The Operator's report identifies seventy-one (71) service accounts warranting termination of service for nonpayment of bill. It was noted that no customer appeared before the Board to discuss the status of his/her account delinquency.

After consideration, and upon motion made by Dir. Papp and seconded by Dir. Daniel, the Board authorized the Operator to terminate service to such delinquent accounts.

Authorize Operator to Write off Uncollectible Delinquent Water Accounts

No action.

Dir. Papp motioned to return to the order of the day. Dir. Bonetati seconded, and the Board voted its unanimous approval.

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

Approval of Report and Payment of Bills from Tax Account

Ms. Englebert was then called upon by the President for presentation of the monthly Tax Assessor-Collector's report for August 2011. A copy of such report, attached hereto and considered a part hereof, was made available to the Board prior to the meeting. The Tax Assessor/Collector presented the monthly checks for signature approval by the Board.

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 2010 tax collections through August 2011 stand at 98.44% collected, slightly behind 2009's tax collections of 99.21% at this time last year, Ms. Englebert stated. Next she reviewed with the Board her firm's and the Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") Delinquent Tax Reports dated August 31, 2011. She pointed out that the McDonald account was paid in full. Comcast has disputed this District's tax bill, as well others throughout the City, Ms. Englebert stated. The matter is not yet resolved, she added.

Dir. Papp moved approval of the Tax Assessor/Collector's report and payment of the bills, as presented. Dir. Bonetati seconded, and the Board voted unanimously in favor of the motion.

CONSIDER AND ACT ON ATTORNEY'S REPORT

Discuss 2011 Tax Levy and Call Public Hearing

The President recognized Ms. Engelbert, who submitted to and reviewed with the Board the Effective Tax Rate Calculations, a copy of which is attached hereto.

Upon motion duly made and seconded, the Board voted unanimously to (1) establish its intent to levy a maintenance tax rate of \$0.39 per \$100 assessed value, (2) to call a public hearing for 5:30 p.m, Monday, October 17, 2011 on the proposed tax rate; and (3) to authorize the Tax Assessor-Collector to publish notice of the proposed tax rate and public hearing.

REVIEW AND APPROVE MINUTES OF MEETINGS OF AUGUST 10, 2011, AUGUST 15, 2011, AUGUST 30, 2011 AND SEPTEMBER 16, 2011

President Mancini asked for motion(s) to approve minutes of the highlighted meetings. After review, upon motion made by Dir. Papp, seconded by Dir. Bonetati, the Board voted unanimously to approve the minutes of the August 10, 2011 meeting as written. Dir. Papp motioned to approve the minutes of the August 30, 2011 meeting as written. Dir. Daniel seconded, and the Board affirmed.

It was noted that the August 15, 2011 meeting minutes had not been posted to the District's backroom. The September 16, 2011 meeting minutes were not yet prepared, Ms. Allard stated.

REVIEW AND APPROVE BOOKKEEPER'S REPORT

Approval of report, payment of bills from the Operating Account

Ms. Schmidt was then asked to report as to the District's financial matters. Her August 2011 Bookkeeping report, a copy of which is attached hereto and considered a part of these minutes, was made accessible to the Board prior to the meeting. She presented checks for the Board's consideration and approval.

Approve Depository Pledge Agreement

No action.

Approve Investment report

The August 2011 Investment Report was next considered by the Board.

Amended Budget

Dir. Papp stated that the Board had determined to return the excess money that was budgeted for the Garden to the District's account(s). The Attorney stated that she would place amending the District's budget on the next agenda.

Dir. Papp motioned approval of the Bookkeeper's report and Investment report. Dir. Bonetati seconded the motion, which garnered unanimous support from the Board.

Unclaimed Property

Ms. Schmidt reported to the Board that she had filed the Unclaimed Property Report with the State and that there was no unclaimed property to report for the period July 1, 2007 through June 30, 2008.

CONSIDER AND ACT ON ENGINEER'S REPORT

President Mancini recognized Mr. Lozano for the Engineer's report, a copy of which was made available to the Board prior to the meeting and is attached to these minutes as a part hereof for all purposes.

Mr. Lozano reported that the bid tabulation for the RWA and District's surface water take-point line indicates Kingsley Constructors is low bidder and was awarded the project. The pre-construction meeting is set for September 29, 3011, he noted.

Bid opening date for the chloramine system modifications project is October 11, 2011, Mr. Lozano stated.

The Engineer then stated that he had made notes from the recent water conservation meeting held by the RWA and included them in his packet this month.

Approve repair and maintenance projects within the District

Consideration was given to awarding the 210,000 gallon tank emergency project to the low bidder Tidal Construction, Inc. After discussion, upon motion duly made and seconded by Dirs. Papp and Daniel, respectively, the Board voted unanimously to award the tank project to Tidal Construction, Inc. Mr. Lozano asked to have the President's authorization to execute the contracts upon arrival. After review, Dir. Papp's motion to authorize the President's signature on the contracts related to the tank project, such being seconded by Dir. Bonetati, carried unanimously.

Mr. Lozano stated that the contractor for the sanitary sewer rehabilitation project has begun the initial cleaning and televising process. This aspect of the project should take about 40 days, and after making any point repairs needed, the installation of the cured in place pipe is expected to take an additional 40 days, the Engineer advised.

Authorize Engineer to prepare plans and specifications for District facilities

The Engineer then discussed the proposed bond application with the Board. After discussion it was decided to go forward with preparation for a \$3.74 million bond application and review the matter further at the Board's next regularly scheduled meeting.

Approve Requests for water and sewer service

No action.

Approve pay estimates and change orders relating to contracts for the repair of the water supply system and sanitary sewer collection system

No action.

After discussion, upon motion duly made and seconded by Dirs. Papp and Bonetati, respectively, the question being put to the Board, the Board voted in accord to approve the Engineer's report as presented.

CONSIDER AND ACT ON ATTORNEY'S REPORT

Discuss Strategic Partnership Agreement ("SPA") and take action related thereto

The Attorney was next recognized by the President for her report. When discussing Strategic Partnership Agreement ("SPA") receipts, Ms. Schmidt noted that vendors that collect less than \$1,500 per month in SPA taxes may report quarterly.

Legislative Update

No action.

Discuss Joint Facilities Meeting

Dir. Papp reviewed the activities of the recent joint maintenance meeting with CUD. The two districts agreed to review the Joint Facilities Agreement to consider making certain amendments thereto, he stated.

Approve Proposal to renew Insurance

No action.

Amend Rate Order (Drought Contingency Plan)

The President recognized Dir. Papp, who stated that it would be appropriate in this drought to limit use of yard watering to the hours between 9 p.m. to 9 a.m. The current plan has a trigger point to go into various levels of water rationing based upon well usage. As the District receives most of its water from the RWA, that trigger point is inappropriate, Dir. Papp continued. Ms. Fraser was asked to address the matter of descaling the water on a regular schedule, and Mr. Lozano was asked to calculate a more viable trigger point for the well, for inclusion in such policy.

In discussion with the Operator and Attorney, it was determined that a Water Conservation Policy would be the best method of encouraging water conservation. The Board asked to have signs made for immediate placement in the District that remind customers to conserve water and reduce their yard watering. The Policy will be discussed at the next Board meeting, it was decided.

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

Discuss Water Conservation And Demonstration Center, Customer Communication and take necessary action in connection therewith

President Mancini asked Ms. Fraser to give the Board an update on the garden's activities. She first informed the Board that she was resigning from the Master Gardener's Speaker's List as of January 2012. She felt there should be an individual with qualifications to either make formal speeches or discuss matters with guests to the Garden. Ms. Fraser stated that it is a good time to be considering Docents for the Garden. It was agreed to place the need for such expert on the website.

The President then reported about the recent meeting with Mr. and Mrs. Brown and Ms. Meier, three (3) of the five (5) board members of the Strack Cemetery board. The President asked Ms. Parker to draft the major points of the discussions with the three individuals for future placement in an agreement with the Browns et al.

Discuss and Approve Newsletter

No action.

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

No action.

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

Review correspondence addressed to the Board

No action.

Review correspondence sent by the District

No action.

Joint Powers Authority ("PJPA")

No action.

Report on meeting of North Harris County Regional Water Authority

No action.

Discuss website and take action related thereto

No further action than discussed hereinabove.

NOTING THERE WERE NO OTHER AGENDA ITEMS TO DISCUSS, Dir. Daniel's motion to adjourn at 8:20 p.m., which motion was duly seconded by Dir. Bonetati, carried by unanimous vote.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

PASSED AND APPROVED

October 17, 2011

Date



Secretary of the Board of Directors