

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 132
MINUTES OF MEETING

January 19, 2015

STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 132 met in regular session open to public at the designated meeting place of the Board include the boundaries of the District, (the "District") 4107 Evening Trail, Spring, Texas 77388, on January 19, 2015, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

William R. Papp	President
Jim Dow	Vice President
Cindy Lane	Secretary
Thomas Mancini	Assistant Secretary
T. Gary Toll	Assistant Secretary

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

Also present were Maria Salinas Parker of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw"), the District's Attorneys ("Attorney"); Tony Sarman of AEI Engineering, Inc. ("AEI"), Engineer for the District ("Engineer"); Andy Phels of Environmental Development Partners ("EDP"), the District's Operator ("Operator"); Rene Anadel of Wheeler & Associates, Inc. ("Wheeler"), the District's Tax Assessor and Collector ("Tax Assessor and Collector"); and Cindy Schmidt, the District's Bookkeeper ("Bookkeeper").

The President called the meeting to order in accordance with notice posted pursuant to law, and the following business of the District was conducted.

HEAR FROM THE PUBLIC

The Board noted that there were no members of the public present at the meeting who wished to address the Board.

TAX ASSESSOR/COLLECTOR'S REPORT

The President recognized Ms. Anadel, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report, a copy of which is attached hereto. The Board noted that 64.24 % of the District's 2014 taxes have been collected. Director Toll asked Ms. Anadel to verify the status of the tax deferred accounts.

Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report, and to authorize payment of the checks listed therein.

DELINQUENT TAX REPORT

The President again recognized Ms. Anadel, who submitted to and reviewed with the Board the Delinquent Tax Report as submitted by Perdue Brandon Fielder Collins & Mott LLP ("PB").

REVIEW AND APPROVE MINUTES OF MEETINGS

Proposed minutes of the meetings of the Board held on December 5, 2014 and January 7, 2015, previously distributed to the Board, were presented for consideration and approval. Director Toll noted certain minor corrections to the minutes.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of December 5, 2014 and January 7, 2015, as corrected.

BOOKKEEPER'S REPORT

The Board recognized Ms. Schmidt, who submitted to and reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto. She listed the balances in each of the District's accounts and noted investments in each account. Ms. Schmidt reviewed activity in each account. She called the Board's attention to the invoices and the checks prepared in payment thereof.

The Directors then reviewed: (1) the Cash Flow Report for the District's Operating Fund; and (2) the Budget Comparison; copies of which are included with the Bookkeeper's Report.

Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, the Investment Report, and the checks presented for payment.

OPERATOR'S REPORT

The President recognized Mr. Phelps, who submitted to and reviewed with the Board the Operations Report, a copy of which is attached hereto.

With regard to the Operations Report, the following items were noted:

1. the District has a total connection count of 682.
2. the billed to pumped ratio was 93.9%.
3. there are 89 accounts on the Termination List.
4. significant repairs are listed on pages 2 through 10 of the Operations Report.
5. NTS has ordered the 800 amp generator transfer switch. Installation of the switch is expected to be completed at the end of the month. The cost for this project is \$29,850.
6. Contractors for the North Harris County Regional Water Authority ("RWA") repaired the surface water meter. The surface water meter was re-tested at 99% accuracy. With regard to the previous months meter reading errors, EDP requested a credit of \$29,566.74 from the RWA. The credit was based on an 8.8% error rate.
7. Pursuant to prior Board authorization, the fire hydrant replacement, repairs, reflector installation and painting is in progress. The cost of this project is estimated at \$14,345.
8. Board authorization for NTS to replace lift pump 1 is pending. The pump has been ordered. The cost for this project is \$16,193.
9. A List of Delinquent Uncollectable Accounts (the "Uncollectable List") is attached to the Operations Report. EDP is recommending that the accounts on the Uncollectable List be "written off" and forwarded to the collection company.
10. EDP will obtain pricing for reserving/renting an emergency generator during the period Cypresswood Utility District is replacing the ground storage tank.

Upon motion duly made and seconded, the Board voted unanimously to approve the Operations Report, and to authorize EDP to "write off" the accounts on the Uncollectable List.

TERMINATION OF WATER SERVICE

Consideration was then given to terminating water service to those accounts listed on the Water Termination List attached to the Operation's Report. The Board noted that there was no one present at the meeting who wished to address the Board concerning their water bill or the termination of water service.

Upon motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate water service to the accounts listed on the Water Termination List, with the assistance of a peace officer, if necessary.

ENGINEER'S REPORT

The President recognized Mr. Sarman, who presented the Engineer's Report, a copy of which is attached hereto.

Mr. Sarman reported that:

Cypresswood Utility District ("CUD") 420,000 Ground Storage Tank. AEI has received the plans for CUD's replacement of the ground storage tank ("GST"). CUD is constructing a 420,000 gallon concrete tank with a dome roof. Mr. Sarman stated that while concrete tanks require more capital to construct, they generally require less maintenance.

Bond Application. Mr. Sarman reviewed with the Board a preliminary list of projects to include in the proposed bond application. A copy of the preliminary list of projects is attached to the Engineer's Report.

Update District Map. Mr. Sarman requested that the Board provide AEI with any corrections to the District map.

Engineering Costs. The December engineering cost summary is attached to the Engineer's Report.

Pending Projects. No action was taken on the sanitary sewer rehabilitation or permanent emergency generator.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report.

ATTORNEY'S REPORT

The Board recognized Ms. Parker, who presented the Attorney's Report.

APPOINTMENT AND QUALIFICATION OF DIRECTOR

No action was taken on the appointment and qualification of director.

ELECTION OF OFFICERS

No action was taken on the election of officers.

Terminate Contract with Don Dulin

Consideration was then given to terminating the contract with Don Dulin.

Upon motion duly made and seconded, the Board voted unanimously to terminate the contract with Don Dulin.

Website

Consideration was then given to the website and a proposal from Your Business Service ("YBS") for a new website.

Upon motion duly made and seconded, the Board voted unanimously to accept the proposal from YBS, subject to review of the contract from YBS by the Attorney.

Bond Analysis

The bond analysis was covered under the Engineer's Report.

Resolution Establishing Intent to Reimburse Operating Account

Consideration was then given to the proposed Resolution Establishing Intent to Reimburse Operating Account.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Establishing Intent to Reimburse Operating Account.

Emergency Generators

Discussion of the emergency generator was covered under the Operations Report.

GARDEN REPORT

The Board then discussed the Garden. The Board agrees to raise the walkway in the garden and to accomplish the same with bricks. Director Toll will set up a display in the Garden containing a graphic of the garden at a cost not to exceed \$1,000. Director Toll will also check into allowing the leaders of the Boy Scouts to camp in the Garden. Kristen Ohlson will be speaking at the OHOBA meeting on January 29, 2015. Directors Papp and Toll plan to attend the OHOBA meeting. Mary Bonetati will work with Director Papp for a special project at the local school with utilizing cafeteria waste for compost.

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

PASSED AND APPROVED

February 16, 2015

Date

Cindy Lane

Secretary of the Board of Directors