

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF REGULAR MEETING

July 18, 2016

STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 132 (the "District") 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 18th day of July 2016, 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
Mary Bonetati	Vice President
Peggy Batson	Secretary
Terry Williams	Assistant Secretary
Pre Moss	Assistant Secretary

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

Also present were resident Rose Marie Garrett; Victor E. Vacek, Jr. of Central Management, Inc. ("CMI"), doing business in the District; Rene Anandel of WHEELER & ASSOCIATES, INC., the District's Tax Assessor/Collector ("Tax Assessor-Collector"); Maria Salinas Parker, the District's Attorney ("Attorney") of Sanford Kuhl Hagan Kugle Parker Kahn, LLP ("SKLaw"); Tony Sarman of AEI ENGINEERING, LLC, ("AEI") the District's Engineer ("Engineer"); Cathy Falke and Johnson Ashcraft of ENVIRONMENTAL DEVELOPMENT PARTNERS ("EDP"), the District's Operator ("Operator"); 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 Papp, who asked that all business to appropriately come before the Board at this time be considered.

After discussion, upon motion duly made and seconded, the Board voted in accord to suspend the agenda order to recognize individuals wishing to address the Board.

REQUESTS TO ADDRESS THE BOARD

Mr. Vacek, Jr. appeared before the Board to ask for consideration regarding CMI's recent water bill. He explained that when cars drove over his meter vault [located on Kuykendahl], a main line broke, causing a leak. He presented documentation of the event. The President explained that the District has to pay North Harris County Regional Water Authority ("the Authority") for *all* water used within the District. The Board, after seeking a recommendation from the Operator, and upon motion duly made and seconded, voted unanimously to discount CMI's March 14, 2016 bill by \$954.79, the sewer charge for the billing period cited.

After motion was made and seconded, the Board approved reinstating the normal agenda order.

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

Approval of Report and Payment of Bills from Tax Account

The President next recognized Ms. Andel for the Tax Assessor/Collector's report, a copy of which is attached hereto as a part hereof. She presented checks from the tax account for approval by the Board.

Report on Status of Tax Collections, Authorize Termination of Water Service to Delinquent Tax Accounts

The Tax Assessor/Collector then reviewed with the Board the Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") Delinquent Tax Report, attached to her report. It was noted that lawsuits have been filed against two (2) delinquent account holders.

After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the Tax Assessor/Collector's report as presented.

APPROVE BOOKKEEPER'S REPORT, INCLUDING:

Authorizing Payment of District Bills

Ms. Schmidt was then called upon by the President for consideration of the Bookkeeper's report, a copy of which is attached hereto as a part hereof. The monthly checks were presented for approval and signature.

The Bookkeeper, upon calling Reliant Energy to request a bill, was informed she needed a letter of authorization from approved signatories. No bill has been received to date.

Dir. Williams asked the Board to consider amending its Policy relating to Fees of Office and Reimbursement at the next meeting. He proposed a new policy, a copy which is attached hereto and considered a part hereof for all purposes, to be discussed at the next meeting.

Approval of Investment Report

The Bookkeeper then discussed the District's investments with the Board. She asked the Board to consider at the next meeting amending its Investment Policy to take advantage of some of the banking industry's attractive interest rates.

After consideration and upon motion made and seconded, the Board unanimously approved the Bookkeeper's Report, Investment Report, and monthly checks.

APPROVE MINUTES OF JUNE 20, 2016 AND JUNE 27, 2016

A motion to approve the minutes of the June 20, 2016 meeting, as corrected, duly seconded, carried. After review, upon motion made and seconded, the Board voted unanimously to approve the last iteration of the minutes of the July 27, 2016 meeting as written.

CONSIDER AND ACT UPON OPERATOR'S REPORT, including:

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

The President recognized Ms. Falke, a copy of whose Operator's report is attached hereto as a part hereof. The Operator reported that 96 delinquent letters were mailed out this month. The Board authorized, by motion made, seconded, and unanimously carried, the termination of the ninety-six (96) delinquent service accounts presented by the Operator for cause.

Authorize Operator To Write Off Uncollectible Delinquent Accounts

The Board, by motion made, seconded, and unanimously carried, approved moving the long-term delinquent accounts to the uncollectible roll, motion having been duly made, seconded, and unanimously carried.

Authorize Repairs to Water Supply System and Wastewater Collection System

Ms. Falke informed the Board that lift station lift pump #3 has now been installed and is in service.

Harris County Emergency Radios

The emergency radios purchased by the District are programmed and operational, Ms. Falke stated, and kept at the EDP main office. Their batteries are checked weekly.

CONSIDER AND ACT ON ENGINEER'S REPORT, including:

Emergency Generator at PJPA and MCC Project

The President recognized Mr. Sarman for the Engineer's report, a copy of which is attached hereto as a part of these minutes. He informed the Board that he is preparing the Texas Commission on Environmental Quality ("TCEQ") submittal for release of escrowed funds relating to the Ponderosa Joint Powers Authority ("PJPA") generator.

Emergency Generator at WCID #132 Water Plant

The Engineer stated that the location of the natural gas generator was discussed with the electrical engineer. He stated that it could be placed in the location of the shed but would probably require more piping. A diesel generator could have future parts problems, with the downturn in the oil and gas industry. After consideration, upon motion made, seconded, and unanimously carried, the Board approved the natural gas generator as its first choice for the District. The Engineer stated that he would begin the design and location of the generator.

Sanitary Sewer Rehabilitation of Area D

AEI is finalizing plans and specs for rehabilitating Area D. He expects bidding to occur in August 2016.

Sanitary Sewer Rehabilitation of Joint Lines

The Engineer stated he is conferring with engineers from Cypresswood Utility District (“CUD”) and Harris County Municipal Utility District (“HCMUD”) 275 regarding repairs and apportionment of costs.

Approve requests for water and sewer service

The Engineer has yet to receive a response from The Gonzales Group regarding the engineer’s revisions of their plans.

Emergency Preparedness Plan (“EPP”)

The Engineer has been reviewing the EPP to confirm any updates that may be required.

The Board asked the Engineer to contact Michael Murr for the Garden plan he proposes.

After review, the motion made and seconded to approve the Engineer’s report as presented, received unanimous consent by the Board.

CONSIDER AND ACT UPON ATTORNEY’S REPORT, including:

Report On Status of Claim in Small Claims Court, and Take All Necessary Action Related Thereto

The Attorney discussed with the Board the response from Head, Inc. to the District’s attempt to resolve the dispute. She stated that she feels the Directors have fulfilled their fiduciary responsibility in the matter. After consideration, upon motion made, seconded, and unanimously carried, the Board approved having the Attorney write a letter to Head, Inc. advising Ms. Fraser that the District will not pursue any claim against her in this regard, though no funds are being forwarded to her.

CONSIDER AND ACT UPON REPORT RELATING TO GARDEN

No report.

APPROVE AND TAKE ACTION ON NEWSLETTER

Dir. Williams stated that he would try to put together a newsletter for inclusion in the monthly water bills.

UPDATE ON WEBSITE

The President asked that the new webmaster contact YBS.

OTHER MATTERS TO COME BEFORE THE BOARD

New Director Conference

Dir. Moss stated that he really enjoyed the conference and got a clearer picture of the responsibilities of directors.

PJPA

Dir. Bonetati stated that the blowers being purchased need to be elevated by 4 feet. It is estimated the cost will be \$49,500 and should take 60 days to receive.

Email Regarding Payment of Local Road Repairs and HB 1295

The President composed an email, a copy of which, disseminated to the Directors during the meeting, is attached hereto and considered a part hereof, regarding the County's apparent intent to have MUDs pay for road repairs in their District [and near-by areas] and the effect of HB 1295. The Attorney stated that during the last Legislative session, legislation was introduced that would require water districts that have Strategic Partnership Agreements ("SPAs") to be responsible for road repairs in their district and surrounding areas. The effort was unsuccessful, she added. The President stated that he would like to have the Board's approval to send the email to AWBD, County Commissioners, and State Legislators on behalf of the District. After review and upon motion and second being made, the Board approved the President's forwarding the email, representing the District, to the AWBD, County Commissioners, and State Legislators.

AFTER DISCUSSION, UPON MOTION DULY MADE AND SECONDED, the question being put to the Board, the Board voted in accord to adjourn at 8:32 p.m.

PASSED AND APPROVED

Date

August 15, 2010


Peggy Batson
Secretary of the Board of Directors