

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

August 15, 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 inside the boundaries of the District, the Harris County W.C.I.D. No. 132 Water Plant, 4107 Evening Trail, Spring, Texas 77388, on August 15, 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, thus constituting a quorum.

Also present were Michael Murr with Murr Incorporated; Rose Marie Garrett; Rene Anadel 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"); and Cindy Schmidt, the District's Bookkeeper ("Bookkeeper").

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.

TAX ASSESSOR/COLLECTOR'S REPORT, INCLUDING:

Approval of Report and Payment of Bills from Tax Account

The President next recognized Ms. Anadel 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. It was noted that the District has collected 98.3% of its 2016 taxes.

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.

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

BOOKKEEPER'S REPORT

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

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

APPROVE MINUTES OF JULY 18, 2016

Proposed minutes of the meeting of July 18, 2016, previously distributed to the Board were presented for consideration and approval.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of July 18, 2016.

OPERATIONS REPORT

The Board recognized Ms. Falke, who submitted to and reviewed with the Board the Operations report, a copy of which is attached hereto. Ms. Falke reported as hereinafter noted.

1. The District has a total connection account of 683.
2. The water accountability for the prior month was 95%.
3. There are 109 accounts on the delinquent list.
4. Lift pump 3 has been replaced.
5. The replacement of lift pump 2 is pending as the pump is on order.
6. The wet well at the lift station has been cleaned.

The manhole survey is complete. Several manholes were repaired. There is an area of erosion adjacent to Cypress Creek that is compromising the sanitary sewer system. AEI is addressing the issue.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Operation's Report; (2) approve turning over the accounts finalized with a balance in excess of twenty-five dollars, for collection, if any, and (3) approve the write off of the District's books the accounts finalized with a balance less than twenty-five dollars, if any.

TERMINATION OF WATER SERVICE

Consideration was then given to the termination of water service to certain delinquent accounts. At this time, the Operator presented to the Board a list of terminations. The Board noted that there were no persons present at the meeting to protest their utility bills and/or the termination of water service to their property.

Upon motion duly made and seconded, the Board voted unanimously to authorize termination of water service with the assistance of a peace officer, if necessary, to the accounts listed in the termination report, a copy of which is attached hereto.

ENGINEER'S REPORT

Emergency Generator at PJPA and MCC Project

The Board recognized Mr. Sarman, who presented the Engineer's Report, a copy of which is attached hereto as a part of these minutes.

He informed the Board that AEI filed the Escrow Release Application with the Texas Commission on Environmental Quality ("TCEQ") for release of escrowed funds relating to the Ponderosa Joint Powers Authority ("PJPA") generator. The TCEQ has issued an administratively complete letter on the Application.

Emergency Generator at WCID #132 Water Plant

AEI and the electrical engineer are preparing the plans and specifications for the installation of the gas generator.

Sanitary Sewer Rehabilitation of Area D

AEI has finalized the plans and specifications for the rehabilitation of Area D. AEI will bid the project once AEI receives confirmation whether there should be participation by Cypresswood Utility District ("CUD") and Harris County MUD No. 275 ("HC275") in a portion of the project. It appears a small portion of Area D lines also serves HC275 and CUD, however, there is no evidence of these lines being shared in the Joint Facilities Agreement. AEI is attempting to resolve this matter.

Sanitary Sewer Rehabilitation of Joint Lines

AEI is conferring with engineers from CUD and HC275 regarding repairs and apportionment of costs.

Approve requests for water and sewer service

AEI received revised plans from The Gonzales Group incorporating AEI's comments. AEI issued a no objection letter.

Emergency Preparedness Plan ("EPP")

AEI is reviewing the EPP to determine whether any changes are necessary.

HCFCD Outfall Erosion

AEI met with EDP to investigate the exposed sanitary sewer line along Cypress Creek. A storm sewer has eroded the banks of the creek such that the 12-inch sanitary sewer line is exposed. A portion of the storm sewer line is leaning into the sanitary sewer line. AEI will contact the Harris County Flood Control District regarding this problem.

AEI FEES

AEI's July engineering and cost summary is attached to the Engineer's Report.

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

CONSIDER AND ACT UPON ATTORNEY'S REPORT, including:

Annual Review of Investment Policy

At this time the Board conducted its annual review of the Investment Policy.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of Investment Policy. A copy of said Resolution is on file in the official records of the District.

Discuss 2016 Tax Levy and Call Public Hearing

As certified tax rolls have not been provided, the Board deferred action on the 2016 tax levy.

Reimbursement Policy

The Board then reviewed a draft Reimbursement Policy proposed by Director Williams. Various Directors commented on the proposed policy. The Board agreed to defer action on the Reimbursement Policy and to call a special meeting to review the Reimbursement Policy.

CONSIDER AND ACT UPON REPORT RELATING TO GARDEN

The Board recognized Mr. Murr, who presented the Garden Report, a copy of which is attached hereto. Mr. Murr stated that Phase 1 is not yet complete. The following items have been accomplished to date:

1. Pruned trees.
2. Cleaned and leveled granite entrance.
3. Pressure washed and painted the entry fence.
4. Painted the key and entry pad.
5. Cleaned and exposed edging.
6. Adjusted electrical box.
7. Cleaned water tanks and soil demonstration boxes.

Mr. Murr added that work continues on the ID Plates.

Upon motion duly made and seconded, the Board voted unanimously to approve the Garden Report and to authorize Mr. Murr to remove the soil demonstration tanks to the extent they are not utilized for the intended purpose.

Director Moss presented information on a new storage building. He will present additional information at the next meeting.

Director Batson stated that Cypress Creek Pest Control will re-set the traps in the Garden for rodents.

OFFICE CLEANING

The Board agreed to terminate its agreement with the current company that cleans the District office and to engage the services of Ms. Garrett to clean the office. The President will notify the current contractor of termination.

APPROVE AND TAKE ACTION ON NEWSLETTER

No action was taken on the newsletter.

UPDATE ON WEBSITE

Director Batson then updated the Board on the website.

Ponderosa Joint Powers Authority ("PJPA") Report

Director Bonatati presented a report on the PJPA. She also reminded the Board that a tour of the PJPA facilities will be held on August 24, 2016.

North Harris County Regional Water Authority Report ("RWA")

Director Moss the reported on the RWA.

UPON MOTION DULY MADE AND SECONDED, the Board voted unanimously to adjourn.

PASSED AND APPROVED

September 19, 2016
Date

Peggy L. Burt
Secretary of the Board of Directors