

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF REGULAR MEETING

July 20, 2015

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 20th day of July 2015, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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|-----------------|---------------------|
| William R. Papp | President |
| Jim Dow | Vice President |
| Peggy Batson | Secretary |
| T. Gary Toll | Assistant Secretary |
| Mary Bonetati | Assistant Secretary |

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

Also present were resident Kermit Sadler; Ray Arce of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor/Collector"); Maria Salinas Parker of Sanford Kuhl Hagan Kugle Parker Kahn, LLP, the District's Attorneys ("Attorney"); Tony Sarman of AEI Engineering, LLC, the District's Engineer ("Engineer"); Andy Johnson 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").

President Papp called the meeting to order at 5:30 p.m. and announced it open for all business to come before it.

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

Approval of Report and Payment of Bills from Tax Account

The Tax Assessor/Collector's report, a copy of which is attached hereto as a part hereof, was presented by Mr. Arce. He presented the monthly bills for approval and payment.

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

Mr. Arce stated that the increased tax rate raised District revenues by roughly 22%. He stated that there were no action items for the Board to consider. Upon motion made and duly seconded, the Board approved Delinquent Customer List.

The President asked the Attorney to check into the situation involving fireworks sales in the District. He thought the Strategic Partnership Agreement ("SPA") with the City of Houston

made such sales unlawful. If, however, the stands are selling fireworks, he wanted to assure they are paying sales taxes thereupon.

After review, the Board, upon motion made and seconded, unanimously approved the Tax Assessor's report.

After motion was made and seconded, the question being put to the Board, the Board voted in accord to suspend the agenda order.

APPROVE MINUTES OF MARCH 29, 2015; JUNE 15, 2015; and JULY 1, 2015

The Board, upon motion duly made, seconded, unanimously carried, approved minutes of the June 15, 2015 meeting, as corrected, and the July 1, 2015 meeting as prepared. Approval of the March 29, 2015 meeting minutes was deferred.

CONSIDER AND ACT ON ENGINEER'S REPORT, including:

The Engineer informed the Board that he had submitted the Bond Application to District consultants for review. It should be ready for the Board's review within the next few days' time. His report is attached to, and considered a part of, these minutes.

Authorize Repair and Maintenance Projects within the District

Mr. Sarman stated that he had mailed out the latest iteration of the District map. The President asked that Mr. Sarman mail the map to the Board for any final input. The President wanted to ensure that interconnect(s) were accurately depicted before finalizing.

The Engineer stated that hatch inspection of the ground storage tanks indicated that spot coating corroded areas and monitoring closely are recommended.

Mr. Sarman informed the Board that the one- (1) year warranty period has just concluded, and final review begun, on the Area E sanitary sewer rehabilitation project.

Emergency Preparedness Plan ("the Plan")

The Engineer stated that the Plan is undergoing review by the Operator and Engineer and should be ready for submittal soon.

After consideration, upon motion duly made and seconded, the Board voted to approve the Engineer's report as presented.

CONSIDER AND ACT UPON OPERATOR'S REPORT

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

Mr. Phelps discussed with the Board the Operator's report, a copy of which is attached as a part of these minutes. After review, upon motion made and seconded, the Board approved starting the disconnect process for the 90 accounts listed in the Operator's report.

Authorize Repairs to the Water Supply System and Wastewater Collection System

The chlorine leak detector should be installed this week, Mr. Phelps stated.

Approve Consumer Confidence Report ("CCR")

The CCR was mailed to customers with the June monthly bills, the Operator stated.

Authorize Operator to write off uncollectible delinquent water bills

Upon the recommendation of the Operator, the Board, after motion was made and seconded, approved moving the 17827 Tall Cypress Drive account to the uncollectible roll.

The Board unanimously approved the Operator's report, motion having been duly made and seconded.

Motion and second to reinstate the agenda order carried by unanimous vote.

APPROVE BOOKKEEPER'S REPORT, INCLUDING:

Authorizing payment of District bills

Ms. Schmidt reviewed with the Board the Bookkeeper's report, attached hereto as a part hereof. She noted that the credit owed the District was subtracted from the Cypresswood Utility District ("CUD") bill this quarter.

Approval of Investment Report

The Investment Report was reviewed with the Board thereafter.

After review and upon motion and second being made, the Board approved the Bookkeeper's Report, Investment Report and the checks presented for payment.

ATTORNEY'S REPORT

Electrical Resale Contract for Ponderosa Joint Powers Authority ("PJPA")

The President recognized the Attorney for consideration of legal matters. Pres. Papp stated that he had discussed with the Attorney the contract for PJPA selling electricity back to the grid. Attorney Ms. Parker stated that she would like to see the PJPA attorney speak with Greg Jones @ Andrews, Kurth, *et al* on the matter.

Update on Legislative Matters

The Attorney advised the Board that many of the approved bills deal with past issues. She stated that she would prepare a review of the new laws for the August meeting.

CONSIDER AND ACT ON REPORT RELATING TO GARDEN

The President stated that Ms. Pomfret was to have spoken with Clint regarding the website Reuse agreement.

The President then discussed a number of events that may interest the Board. 1) Adam Pope would like to have a gathering in the Garden during successive fall months, using his refurbished telescope. Details can be ironed out and dates set for the calendar, it was noted. 2) Organic Horticulture Benefits Alliance ("OHBA") is holding a seminar on August 11, 2015 with soil expert Dr. Elaine Ingham. 3) A Webinar on Outdoor water use by Alliance for Water Efficiency ("AWE") is to be held this month.

The Board then undertook amending the flyer advertising third Saturday "Coffee and Conversation" project.

NOTING THERE WAS NO OTHER BUSINESS TO COME BEFORE THE BOARD, following motion duly made and seconded, the Board voted to adjourn at 7:00 p.m.

PASSED AND APPROVED

August 17, 2015
Date

Peggy Batson

Peggy Batson

Secretary of the Board of Directors