

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 132

MINUTES OF REGULAR MEETING

September 21, 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 21st day of September 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
Peggy Batson	Secretary
T. Gary Toll	Assistant Secretary
Mary Bonetati	Assistant Secretary

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

Also present were Anthea Moran of First Southwest Company, the District's Financial Advisor ("Financial Advisor"); Elizabeth Stinsman from Harris County Precinct 4 Commissioner Cagle's Office; Rene Andel 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 Phelps 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 at 5:30 p.m. in accordance with law and notice posted, and the following business of the District was conducted.

Pres. Papp stated that Dir. Toll had been moved into the Cardiac Intensive Care Unit following by-pass and follow-up surgeries. The Board sent their best wishes for an easy, complete recovery.

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

Approval of Report and Payment of Bills from Tax Account

The Tax Assessor/Collector discussed with the Board her report, a copy of which is attached hereto, and considered a part of these minutes for all purposes. Her checks being submitted for approval included the fourth quarter payment to Harris County Appraisal District ("HCAD").

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

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

Ms. Andel then discussed with the Board the delinquent customer accounts. The President asked that a representative from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") appear before the Board next month to discuss such accounts, as well as the account holders that claim the over 65 tax deferral.

After review and upon motion made and seconded, the Board approved the Delinquent Customer Accounts report.

2015 Tax Levy and Call Public Hearing

The President recognized the Financial Advisor, who reviewed with the Board the process of setting the 2015 tax rate and levying taxes. After consideration, upon motion made and seconded, the Board proposed a maintenance and operation tax of \$0.47 per \$100 assessed value for 2015, to call a public hearing on the proposed tax rate for October 19, 2015, and to authorize the Tax Assessor and Collector to publish notice of the proposed tax rate and public hearing as required by law.

Upon motion made, seconded and unanimously carried, the Board approved changing the order of the day.

MEET REPRESENTATIVE FROM HARRIS COUNTY COMMISSIONER CAGLE'S OFFICE

President Papp recognized Ms. Stinsman, who informed the Board that MUD directors should notify the County of potholes, sinkholes, trees in need of trimming, and road and bridge maintenance within their respective districts. Paint may be deposited with the County on Wednesdays from 9:00 a.m. – 3:00 p.m. and on second Saturdays of each month at 9:00 a.m. – 2:00 p.m. The County's "Update" discusses events at each park, and the "Times" shows the senior program.

The Board asked Ms. Stinsman to remind the County of Cypresswood Place's request for a traffic light. She noted there is an election this November for funding road improvements.

CONSIDER AND ACT UPON OPERATOR'S REPORT, including:

The President asked Mr. Phelps to review the Operator's report, attached hereto as a part hereof, with the Board.

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

Mr. Phelps informed the Board of a request to waive the late fees for the Ravina Apartments. After review, upon motion duly made and seconded, the Board voted to follow the recommendation of the Operator and decline waiving such fees.

Authorize Repairs to the Water Supply System and Wastewater Collection System

The Operator noted that the Mantana Plant is in service again. After discussion, upon motion made, seconded, and unanimously carried, the Board approved the Operator's report and termination of service to the 75 delinquent accounts.

The President expressed with the Operator and Directors his concern over the matter of a large spike in District and nearby MUDs' customers' water consumption within the past month. He noted that the Operator assured him that the earlier bill amounts had not been estimated. No action was taken.

Motion was made to reinstate the agenda order. When seconded, the motion carried without dissent.

APPROVE BOOKKEEPER'S REPORT, INCLUDING:

Authorizing payment of District bills

The President asked Ms. Schmidt to review the Bookkeeper's report, attached as a part hereof, with the Board. She noted she had written one (1) check since preparation of her report. She stated that when doing the bank reconciliation, she noticed that the North Harris County Regional Water Authority ("the Authority") check had been returned with only two (2) signatures. She asked for a duplicate check, if needed to resolve the matter with the Authority.

Approval of Investment Report

Ms. Schmidt then reviewed the Investment Report. After consideration, upon motion made and seconded, the Board approved the Bookkeeper's Report, Investment Report, and the checks enumerated therein.

APPROVE MINUTES OF AUGUST 05, 2015, AUGUST 17, 2015 and SEPTEMBER 2, 2015

After review and upon motion and second being made, the Board approved the August 17, 2015 minutes as written.

When motion and second were made, the Board approved the September 2, 2015 meeting minutes as prepared. The Board tabled the August 5, 2015 minutes.

CONSIDER AND ACT ON ENGINEER'S REPORT, including:

Mr. Sarman, next recognized, reviewed with the Board the Engineer's report, a copy of which, disseminated earlier to Directors, is attached to, and considered a part of, these minutes.

Approve requests for water and sewer service

The Engineer informed the Board that he did receive a request for service and payment of the deposit from the Gonzales Group, who intends to build apartments on Reserve B. Mr. Sarman stated that, as the land lies in two (2) districts, it was agreed by Cypresswood Utility District ("CUD") that Mr. Sarman's feasibility study would satisfy both districts.

Emergency Preparedness Plan ("the Plan")

Mr. Sarman stated that he updated the Plan and it is ready for submittal to the Texas Commission on Environmental Quality ("TCEQ").

Authorize Repair and Maintenance Projects within the District

Mr. Sarman stated that he was given information relating to Klein Public Utility District's ("Klein PUD") out of district customer, which the Engineer added to the District map.

After review, the motion, duly seconded, to approve the Engineer's report, carried by unanimous vote.

ATTORNEY'S REPORT

Approve Resolution Regarding Bond Application

After review, upon motion made and seconded, the Board adopted the Resolution approving the Bond Application for submittal to the Texas Commission on Environmental Quality ("TCEQ") for expedited review.

Update on Legislative Matters

The Attorney informed the Board that the Update on legislative matters should be ready for the next meeting.

Approve Proposal to Renew Insurance

Having disseminated the proposal(s) prior to the meeting, the Attorney reported only the changes from last year's policy(ies).

Upon motion duly made and seconded, the Board voted unanimously to accept the proposal from AquaSurance to renew the District's insurance. A copy of the executed insurance proposal is on file in the official records of the District.

Report on Website and Take Action Related Thereto

The President stated that the former webmaster's contract has been terminated. Ms. Pomfret would like to have a proposal for the new webmaster ready for consideration at the October Board meeting, the President stated.

After discussion, following motion duly made and seconded, Board approved the Attorney's report.

District Meetings/Directors

Participation in District meetings electronically was discussed, and the Attorney agreed to check current law to determine what limitations, if any, are imposed on attendance electronically.

CONSIDER AND ACT ON REPORT RELATING TO GARDEN

The President stated that social media will help raise funds for the District. He asked the Board to consider re-hiring Debra Ford to assist with public outreach.

Dir. Bonetati, when asking about the federal tax filings of the corporation, was informed by the Attorney that all is in good standing.

Dir. Bonetati heard from Ms. Fraser that KinderMorgan told the Scout's mother that the raised bed project for the boy was denied.

It was noted that one of the Garden workers purchased a lawn mower other than the one previously approved by the Board. The Board determined to take no additional action regarding a mower.

The President showed the Board a red clay 'ollas' pot, which, when buried and filled with water, is a slow, even method of watering plants.

CITING NO FURTHER BUSINESS TO COME BEFORE THE BOARD AT THIS TIME, motion to adjourn at 7:50 p.m., duly seconded, carried without dissent.

PASSED AND APPROVED

October 19, 2015
Date

A handwritten signature in black ink, appearing to read "Peggy Batson". The signature is written in a cursive style with a large initial "P" and a long horizontal stroke at the end.

Peggy Batson
Secretary of the Board of Directors