

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 15, 2007

THE STATE OF TEXAS §
COUNTY OF HARRIS §
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132 §

The Board of Directors (the “*Board*”) of Harris County Municipal Utility District No. 132 (the “*District*”) met in regular session, open to the public, at the Atascocita Country Club, 20114 Pinehurst, Humble, Texas on February 15, 2007, at 6:00 p.m.; whereupon the roll was called of the directors, to-wit:

Ray Hughes, President
Marie Wilkinson, Vice President
Bobby Haney, Secretary
Don House, Assistant Secretary
Tim Stine, Assistant Secretary

All members of the Board were present. Also attending all or parts of the meeting were Ms. Beulah Kelly of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Michael Keefe and Ms. Brenda McLaughlin of Bob Leared Interests, tax assessor and collector for the District; Mr. Fred Richardson of Severn Trent Environmental Services, Inc. (“*ST*”), operator of the District’s facilities; Ms. Amy Zapletal of Brown & Gay Engineers, engineer for the District; Mr. Mike Rowland, an owner of property in the District; Ms. Alicia Angst of the Atascocita Observer Newspaper; and Ms. Jana Cogburn and Ms. Carla Christensen of Fulbright & Jaworski L.L.P. (“*F&J*”), attorneys for the District. A sign- in sheet is attached hereto as Exhibit “A.”

Call to Order. The President called the meeting to order in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as Exhibit “B”, and the following business was transacted:

1. **Minutes.** Proposed minutes of the meeting of January 18, 2007, previously distributed to the Board, were presented for approval.

Director Wilkinson inquired why the Board was holding the meeting at the Atascaocita Country Club. Discussion ensued.

Upon motion by Director House, seconded by Director Stine, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of January 18, 2007, as presented.

2. **Receive comments from the public.** There were no comments from the public at this time.

3. **Review Bookkeeper’s Report and Investment Report.** The President recognized Ms. Kelly, who presented to and reviewed with the Board the Bookkeeper’s Report and Investment Report, copies of which are attached hereto as Exhibit “C.” Upon motion by

Director House, seconded by Director Stine, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 5585 through 5606 from the Operating Account.

4. **Review Tax Collector's Report and authorize payment of certain bills.** The President recognized Mr. Keefe, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for January 2007 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "D." Mr. Keefe noted that 50.7% of the District's 2007 taxes have been collected as of January 31, 2007. Upon motion by Director Wilkinson, seconded by Director House, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report and to authorize payment of check numbers 1128 through 1140 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **Operations Report and Billing and Collections Report.** The President recognized Mr. Richardson, who presented to and reviewed with the Board the Operations Report, a copy of which is attached hereto as Exhibit "E." Mr. Richardson reported that 98.10% of the water pumped was billed for the month ending January 29, 2007.

Director Hughes stated that it should take no longer than a few weeks for a damaged fire hydrant to be repaired and/or replaced. Director Hughes stated that at the last Board meeting he had requested that Mr. Mensik investigate a broken fire hydrant on Atascocita Shores near the daycare center and that such fire hydrant has not yet been replaced. Mr. Richardson stated that he will coordinate with Mr. Mensik to ensure that fire hydrants are repaired or replaced in a more timely manner.

Mr. Richardson presented to and reviewed with the Board a proposal for surveying the District's fire hydrants (\$4,740.00) and painting the fire hydrants (\$5,925.00) for a total cost of \$10,665.00.

Upon motion by Director Haney, seconded by Director Wilkinson, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to authorize termination of service to delinquent accounts, to authorize writing off the 'over 90 day' builder damages amounts, and to authorize a survey of fire hydrants and the painting of fire hydrants at a cost of \$10,665.00.

6. **Status report and take any action in connection with collection of builder damages (Margaret Poissant).** There was nothing to report on this item at this time. Ms. Cogburn stated that F&J has requested a status report from Ms. Poissant.

7. **Engineer's Report.** The President recognized Ms. Zapletal, who reported that Mr. Rowland is requesting that the Board approve a revised access easement to his property located behind Lowe's and on West Lake Houston Parkway. Ms. Zapletal noted that new fire code standards require wider access roads. It was the consensus of the Board that Ms. Zapletal coordinate with Mr. Rowland to re-configure the current access to the property. Upon motion by Director Stine, seconded by Director Wilkinson, after full discussion and the question being put

to the Board, the Board voted unanimously to authorize a revised access easement for Mr. Rowland's property on West Lake Houston Parkway.

The President recognized Ms. Zapletal, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "G," and which follows in substantially the form it was presented:

Construction Plan Review:

- a. Retail space on Atascocita Road (1.0827 acres): Nothing new to report.
- b. Wells Fargo (FM 1960 East in front of HEB): Brewer & Escalante Engineers (BEE) has provided final, approved plans signed by Harris County. BEE is still working with Wells Fargo and the owner of the land, Amreit, to obtain the water meter easement. BGE will not release taps until the recorded water meter easement is received.
- c. 8-Acre Tract north of Wachovia on FM 1960 East: Nothing new to report.
- d. Residential/commercial construction at FM 1960 East and Atascocita Shores Drive: Nothing new to report.
- e. Proposed office building north of FM 1960 East and Atascocita Shores Drive: Nothing new to report.
- f. Proposed Tuscan Village on the NE and NW corners of FM 1960 East and Atascocita Shores Drive: Nothing new to report.

Sanitary Sewer Rehabilitation – Phase III:

A re-inspection of the project by Brown & Gay on January 31, 2007 showed that all punchlist items were completed. The final pay estimate has not been received from Insituform Technologies.

Emergency Rehabilitation of 18-Inch Sanitary Sewer Force Main:

Brown & Gay is waiting for the extended warranty for the project before approving the final pay estimate from Insituform Technologies.

Installation of Natural Gas Generators at Water Plants and Lift Stations:

The Notice to Proceed for the project was issued for Monday, October 23, 2006. The original contract amount is \$941,636.50. Pay Estimate No. Two from C.F. McDonald Electric, Inc. in the amount of \$100,502.10 has been reviewed and is recommended for approval and payment. The pay estimate includes payment for wire and the automatic transfer switch at Water Plant No. 2 and for wire, the automatic transfer switch, and the generator at Lift Stations No. 2 and No. 3.

The contractor is currently waiting for gas service to the sites from CenterPoint Energy to connect the generators. The new generators for Water Plant No. 2 and Lift Stations 2 and 3 have been installed. Delivery of the generators for Water Plant No. 1 and Lift Station No. 1 is

expected in the next month. The contractor and BGE estimate that the construction will be completed in April, approximately one and one-half month before the end of the contract period.

Upon motion by Director Stine, seconded by Director Wilkinson, after full discussion and the question being put to the Board, the Board voted unanimously to approve Pay Estimate No. Two from C.F. McDonald Electric in the amount of \$100,502.10 in connection with the installation of natural gas generators at the water plant and lift stations.

8. **Review and authorize capacity commitments.** It was noted that no capacity commitment requests have been received since the last Board meeting.

9. **Discuss and take any action in connection with drainage issues in Kings River Estates, Section 4.** Ms. Zapletal reported that Brown & Gay is conducting the survey work this week and is investigating an alternative means to obtain a more regional topographic survey to thoroughly investigate the storm drainage patterns adjacent to Kings River Estates, Section 4. Ms. Zapletal stated that Brown & Gay is coordinating with Director House on the project.

Director House reported that he and the golf club manager walked the golf course near the affected homes. Director House stated that the water holes (hole numbers three and four) are contiguous to the houses that are flooding during high rain events. Director House stated that the golf course will also need to take action in order to prevent the flooding in backyards.

10. **Discuss and take any action in connection with District Communications.** The Board reviewed an outline of proposed topics for the next District newsletter, a summary of the proposed Storm Water Inlet Marking ("SWIM") program, and website statistics through January 2007, copies of which are attached hereto as Exhibit "H." Discussion ensued regarding implementation of the SWIM program. Upon motion by Director House, seconded by Director Stine, after full discussion and the question being put to the Board, the Board voted unanimously to authorize proceeding with SWIM program as presented.

11. **Other matters.** There were no other matters to come before the Board at this time.

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

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The above and foregoing minutes were passed and approved by the Board of Directors on March 15, 2007.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)