

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119**  
**Minutes of Board of Directors Meeting**  
**October 12, 2009**

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 119 met at 9711 Landry Boulevard, Spring, Harris County, Texas, on October 12, 2009, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

William E. Eckert, President  
Andrew R. Phelps, Vice President  
John Soileau, Secretary  
Robert Williams, Treasurer  
William Manning, Director

and all of said members were present, except Director Eckert, thus constituting a quorum.

Also present were David Rowe of Water District Management Co. ("WDM"); Lisa Hernandez of Municipal Accounts & Consulting, L.P. ("MAC"); Troy Bordelon of A&S Engineers, Inc. ("A&S"); Yvonne Leuvano of Wheeler & Associates, Inc.; and David Marks of David M. Marks, P.C.

In absence of the President, the Vice President called the meeting to order and declared it open for such business as might regularly come before it.

As the first order of business, the Board deferred consideration of comments from members the public, as no one wished to speak.

The Board next reviewed and considered the approval of the minutes of the meeting held on September 14, 2009. After review and discussion of the minutes presented, Director Williams moved that the minutes of the meeting held on September 14, 2009, be approved as written. Director Manning seconded said motion, which unanimously carried.

The Board next conducted a public hearing relative to the District's proposed 2009 debt service tax rate and maintenance tax rate. Ms. Leuvano presented a copy of the proposed tax rate publication and advised that same had been published in accordance with state law requirements. In connection therewith, the Vice President announced the hearing open and invited members of the public to address the Board on the proposed 2009 debt service tax rate and maintenance tax rate. Seeing no members of the public

wishing to speak, the Vice President then announced the hearing closed.

The Board next considered the adoption and levy of the District's 2009 proposed debt service tax rate and maintenance tax rate. After discussion on the matter, Director Soileau moved that the Board levy a 2009 debt service tax rate of \$0.51 per \$100 of assessed valuation and a 2009 maintenance tax rate of \$.04 per \$100 of assessed valuation, for a combined tax rate of \$0.55 per \$100 of assessed valuation, and that the attached Order Levying Taxes be adopted in connection therewith. Director Williams seconded said motion, which carried unanimously.

Mr. Marks next presented and reviewed with the Board an Amendment to the Tenth Amended and Restated District Information Form in connection with the 2009 tax rate. After discussion regarding said Amendment, Director Manning moved that same be approved and that the Board members present be authorized to execute same. Director Williams seconded said motion, which unanimously carried.

The Board next considered the report on the status of collection of taxes, the status of collection of delinquent tax accounts, and the payment of invoices in connection therewith for the month of September, a copy of which is attached hereto. Ms. Leuvano reported that 99.27% of the District's 2009 taxes had been collected through September 30, 2009. She then presented check nos. 2673 through 2678, inclusive, for payment. After discussion of the report submitted, it was moved by Director Williams, seconded by Director Manning and unanimously carried that said report be approved and that check nos. 2673 through 2678, inclusive, be approved for payment, as identified in said report.

The Board next reviewed the delinquent collections list and there was a discussion regarding the status of District delinquent tax accounts. In connection therewith, Mr. Marks presented for the Board's review and information a written report dated October 7, 2009, which had been prepared by the District's delinquent tax attorney, Ted A. Cox, P.C. ("Cox"), a copy of which is attached hereto. After discussion, Director Williams moved that the Proof of Claim for the Kimberly Beal/Beal Ventures, LLC delinquent account be approved and that the Vice President be authorized to execute same on behalf of the Board and the District. Director Manning seconded said motion, which unanimously carried.

The Board next considered appeals from customers of District charges or policies. In connection therewith, Mr. Rowe reported on correspondence received from Robert E. Welch, a copy of which is attached hereto, advising that the NHCRWA broke his water line and that he turned off the water to the house on September 4, 2009. He stated that Mr. Welch has requested that the Board defer action on his high water bill pending resolution of the issue with the NHCRWA. After discussion on the matter, Director Soileau moved that Mr. Welch only be required to pay the minimum bill for 1 month. Director Williams seconded said motion, which unanimously carried. Mr. Bordelon then advised that he would contact Tom Rolan with the NHCRWA to assess the situation.

The Board next considered the report on the District's water, sanitary sewer and storm sewer systems for the month of September 2009, a copy of which is attached hereto. In that regard, Mr. Rowe reported that the water accountability percentage for the month is 99.13%. He stated that the District's facilities had been operating in compliance with their respective permits during the month.

Mr. Rowe next discussed the status of the sewage treatment plant with the Board. He stated that same was pumped down, that the work has been performed and that same is now back online. Mr. Rowe further noted that WDM has repair work scheduled to repair the mixers. He noted that 3 mixers are out of service. The Board discussed possible alternatives to using the mixers. Mr. Bordelon noted that the mixers should work better in the future with a rotary screen in service to help keep debris out of the digester.

Mr. Rowe next reported on the status of booster pump no. 3 at Water Plant No. 1. He stated that WDM is waiting on delivery of the shaft in order to complete the repair.

The Board deferred consideration of the status of repairs to the sewage treatment plant road.

Mr. Rowe next requested that the Board consider authorizing WDM to turn over seven (7) delinquent accounts to Collections Unlimited of Texas ("CUT") for collection, in the total amount of \$537.71 and to write off two (2) accounts in the total amount of \$6.92. After discussion on the matter, Director Manning moved that WDM be authorized to turn over the seven (7) accounts in the total amount of \$537.71 to CUT for collection, and to write off the two accounts, as set out above. Director Williams seconded said motion, which unanimously carried.

Mr. Rowe next discussed the water quality report and complaints with the Board and noted that he is continuing to monitor same.

Mr. Rowe next reported that there were no odor complaints received during the month.

Mr. Rowe next reported that he met with the Memorial Springs HOA relative to the fence painting at the lift station.

Mr. Rowe next reported on correspondence received from the Texas Commission on Environmental Quality relative to an infrastructure mapping program.

The Board next considered the status of the NHCRWA, including the status of construction of a waterline to Water Plant No. 2 and the use of Water Well No. 2 for blending requirements. In that regard, Mr. Bordelon discussed the NHCRWA's new rate order and aggregated permits. He further reported that the water line construction is still ongoing and is expected to be complete early next year.

The Board next considered authorizing the design, advertisement for bids and/or award of construction contracts. Mr. Bordelon presented a report relative to same, a copy of which is attached hereto. In connection therewith, the Board deferred consideration relative to the review of bids and authorizing award of a contract for installation of additional diesel tanks for auxiliary power and installation of auxiliary power at the lift stations.

The Board next deferred the approval of plans and specifications relative to water and sanitary sewer extensions to serve the Singh property located on the north side of Spring Cypress, after Mr. Bordelon noted that A&S has not yet received any plans or specifications regarding the project. The Board requested that same be removed from the agenda.

The Board next considered the status of the contract with Lopez Utilities Contractor, LLC ("Lopez") for rehabilitation of the sanitary sewer lines. In that regard, Mr. Bordelon stated that the work is progressing. He then presented pay application no. 4, in the amount of \$128,018.70, payable to Lopez, and recommended the Board approve same. After discussion on the matter, Director Soileau moved that pay application no. 4 in the amount of \$128,018.70, payable to Lopez be approved, as set out above. Director Williams seconded said motion, which unanimously carried.

The Board next considered the status of the contract with T&C Construction ("T&C") for conversion of the chlorination system at the District's three water plants to a chloramine system. In connection therewith, Mr. Bordelon stated that a pre-construction conference was held on September 25 and that the Notice to Proceed was dated October 5, 2009.

The Board next considered the status of the contract for installation of quick connects at the District's facilities. In connection therewith, Mr. Bordelon advised that A&S will assist WDM with the lift station pigtails, if needed.

The Board next considered the request for easements relative to the construction of water and sanitary sewer lines to serve the Klein Independent School District tract, a copy of which is attached hereto. After discussion, Director Soileau moved to approve said easements, subject to receipt of past due amount owed to the District plus \$2,253.49 for a total of \$10,000. Director Manning seconded said motion, which unanimously carried.

The Board next deferred the approval of a Maintenance Agreement relative to a private lift station to serve the Singh property on the north side of Spring Cypress, after noting that Dr. Singh has not yet returned same. The Board then requested that same be removed from the agenda.

The Board next deferred consideration of amendment to the District's Rate Order.

The Board next deferred the approval of a Conveyance of Utility Facilities relative to the sanitary sewer line extensions constructed by Statewide to serve the Singh property.

The Board next deferred the issuance of utility commitments, after noting no requests were made.

The Board next deferred a report regarding the status of development of property within the District, after noting no developer was present. The Board then requested that same be removed from the agenda.

The Board next considered the status of Web Site design and operation of the District's website. In connection therewith, Mr. Rowe stated that he had nothing new to report.

The Board next considered the status of implementation of energy efficiency programs. In connection therewith, Ms. Hernandez stated she had nothing new to report.

The Board next considered the financial and investment reports and the invoices presented for payment. In connection therewith, Ms. Hernandez distributed to the Board the attached bookkeeping report, investment report, pledged securities report, bills presented for payment and profit and loss statement for the District's fiscal year, prepared by MAC, the District's bookkeeper. After review and discussion of the reports presented, upon motion duly made by Director Soileau, seconded by Director Williams, and unanimously carried, the Board approved said reports, and authorized payment on the Operating Account being check nos. 14187 and 14285 through 14330, inclusive, with check nos. 14187 and 14290 being voided, and on the Capital Projects Account being check nos. 5517 through 5519, and a wire transfer, as set out in said report.

The Board next considered the status of receipt of final acceptance letter from the Harris County Flood Control District ("HCFCD") relative to the drainage and detention facilities. In connection therewith, Mr. Marks advised that he is waiting on the HCFCD to provide the District with a draft of same.

The Board next considered discussions relative to the purchase of park land and improvements to same. In that regard, the Board deferred the approval of plans and authorizing advertisement for bids for development of the park and requested that same be removed from the agenda.

The Board next considered the status of contract with Storm Maintenance and Monitoring, Inc., for clearing of the park site. In connection therewith, Mr. Bordelon advised that a walk through was held and that the contractor has some clean up to complete. The Board then requested that Mr. Bordelon request a proposal to further clean the site, so same can be maintained using a normal lawn mower.

There being no further business to come before the Board, the meeting was adjourned.

/s/ John Soileau

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John Soileau  
Secretary

## ATTACHMENTS

1. Order Levying Taxes;
2. Tax Assessor/Collector Reports;
3. Ted Cox Report;
4. Robert Welch correspondence;
5. Operators Report and correspondence;
6. Collections List;
7. Engineering Report;
8. KISD easement request; and
9. Bookkeeper's Report.