

NO. 2004-16  
MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS  
September 21, 2004

THE STATE OF TEXAS §  
COUNTY OF HARRIS §  
BRIDGESTONE MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Bridgestone Municipal Utility District (the "District") met in regular session, open to the public, at the Bridgestone Community Center, 4403 Lost Lake Lane, Spring, Texas, its regular meeting place within the boundaries of the District, on Tuesday, September 21, 2004, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to wit:

Adrian E. Steffes	President/Investment Officer
Jim Marks	Vice President
Ronald W. Schkade	Secretary
Skip Warren	Treasurer
Jerry Thomas	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also attending the meeting were Mr. Gene Conner, General Manager of the District; Messrs. Floyd Mechler and Rusty Mechler of AquaSurance, L.L.C. ("AquaSurance"); Mr. Dan McDonald of Anco Wessendorff Insurance Agency ("Anco"); Ms. Pat Hall of Equi-Tax, Inc., tax assessor/collector for the District; Ms. Mary Jarmon of Myrtle Cruz, Inc., bookkeeper for the District; Messrs. Ed Shackelford, P.E. and Erich Peterson, P.E. and Ms. Dedra Ecklund of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; Ms. Karen Sears and Mr. Joe Almaguer of Aqua Services, LP ("Aqua Services"), operators for the District; Mr. Jamie Cornelius of Sowell & Co. ("Sowell"), developer of the Rhodes Landing subdivision within the District; Mr. David Glunt of Texas Investment & Development Company, developer of the Bridgestone Lakes, Gosling Pines and Senterra Lakes subdivisions within the District and developer of the Villages of Senterra Lakes tract proposed to be annexed into the District; Mr. Perry Senn and Ms. Shawn Lazenby of H.H. Estates, LP, developer of the Bella Sera, Villages of Bridgestone and Northcrest Village subdivisions within the District; Mr. Erik Haaland of Terra Prima LTD, development manager for RH of Texas Limited Partnership, developers of the Stone Forest and Bridgestone Ranch subdivisions within the District; Mr. Ron Walkoviak of Development Consultants Inc., development manager of the Spring Terrace subdivision within the District; Mr. John Moy, Project Manager of LJA Engineering & Surveying, Inc. ("LJA"), engineers for the Spring Terrace subdivision within the District; Mr. Jim West of 2920 Kuykendahl Partners, developers of Springbrook Plaza and Project Manager for The Field Companies, Inc. regarding a 5.0967-acre tract outside the boundaries of the District; Messrs. Steve Adkisson and Jon Spears of TNRG Development LLC, purchasers of a 10.56-acre tract requesting annexation/service for

such tract; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC, attorneys for the District. A copy of the sign-in sheet for those in attendance at the meeting is attached hereto.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

Director Steffes noted that Director Marks had requested that the Board defer action on the renewal of the insurance coverage until he arrived at the meeting.

### **CONSENT AGENDA**

Director Steffes then reviewed with the Board the items reflected on the Consent Agenda. Director Steffes explained that this portion of the agenda deals with routine matters of the Board, and that no separate discussion of such items will occur unless a Board member or a member of the public requests that an item be moved to the regular portion of the agenda. Director Steffes also noted that the format of the Consent Agenda had been altered concerning the District's construction projects.

Upon motion by Director Schkade, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the following Consent Agenda items: 1) the minutes of the regular meeting of August 17, 2004; 2) authorize design of Spring Terrace, Section 4 water, sanitary and drainage facilities; 3) authorize advertising for bids for: (a) water, sanitary and drainage facilities to serve Spring Terrace, Section 3; and (b) water, sanitary and drainage facilities to serve Springbrook, Section 4; 4) review bid tabulations and approve award of construction contracts for: (a) 18-inch off-site sanitary sewer to serve Northcrest Village; and (b) clearing and grubbing of Northcrest Village, Sections 1, 2 and 3; 5) approve the following pay estimates and change orders: (a) Pay Estimate No. 3 and Final in the amount of \$15,152.60 to Son-Way AGRI Products for the clearing and grubbing of Bella Sera; (b) Pay Estimate No. 3 in the amount of \$5,044.50 to SLC Construction, L.P. for water, sanitary sewer and drainage facilities to serve Bridgestone Lakes, Section 2; (c) Pay Estimate No. 1 in the amount of \$153,238.53 to Slack & Company, Inc. for FM 2920 utility extension west of Kuykendahl Road; (d) Pay Estimate No. 4 in the amount of \$99,916.88 to B-5 Construction Co., Inc. for construction of the stormwater pump station and outfall improvements to serve Gosling Pines; (e) Pay Estimate No. 2 in the amount of \$20,936.70 to Excalibur Construction, Ltd. for the clearing and grubbing of Senterra Lakes; (f) Pay Estimate No. 5 in the amount of \$28,832.50 to South Texas Utilities, LLC for construction of the water, sanitary sewer and drainage facilities to serve Springbrook, Section 3; and (g) Pay Estimate No. 2 in the amount of \$215,394.78 to Bay Utilities, L.L.C. for construction of the water, sanitary sewer and drainage facilities to serve Villages of Bridgestone; and 6) ratify approval of: (a) authorization to General Manager to upgrade the air conditioning system at Bridgestone Community Center; and (b) approval of payment of Pay Estimate No. 2 and Final in the amount of \$54,774.00 to Weisinger Water Well, Inc. for the rework of Water Well No. 1.

## REGULAR AGENDA

### CONDUCT PUBLIC HEARING ON 2004 TAX RATE

Director Steffes then called the public hearing on the 2004 tax rate to order. It was noted that no members of the public were present to offer public comment. Director Steffes announced that it was the Board's intent to levy a 2004 total tax rate of \$0.76 per \$100 assessed valuation, comprised of \$0.51 per \$100 assessed valuation for debt service purposes and \$0.25 per \$100 assessed valuation for operation/maintenance purposes. The public hearing was then adjourned.

### ADOPT ORDER SETTING RATE AND LEVYING TAX FOR 2004

Ms. Bobbitt then presented an Order Setting Rate and Levying Tax for 2004 (the "Order") to the Board for adoption. Ms. Bobbitt stated that the Order provides for the levy of a 2004 tax rate totaling \$0.76 per \$100 assessed valuation, comprised of \$0.51 per \$100 assessed valuation for debt service purposes during the calendar year commencing January 1, 2005 and \$0.25 per \$100 assessed valuation for operation/maintenance purposes for the District's fiscal year ending December 31, 2005. Upon motion by Director Schkade, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order, a copy of which is attached hereto.

### AMENDED DISTRICT INFORMATION FORM

Ms. Bobbitt next presented an Amended District Information Form (the "Amended Information Form") and noted that due to the levy of the 2004 tax rate and pursuant to Section 49.455, Texas Water Code, as amended, it is necessary to file the Amended Information Form with Harris County (the "County") and with the Texas Commission on Environmental Quality (the "TCEQ"). Upon motion by Director Schkade, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution and filing of the Amended Information Form, a copy of which is attached hereto.

### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall then presented the Tax Assessor/Collector's Report for the month of August, a copy of which is attached hereto. Ms. Hall reported that 97.3% of the District's 2003 taxes have been collected to date.

Upon motion by Director Warren, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor/Collector's Report and to authorize payment of the checks reflected therein.

### DELINQUENT TAX ATTORNEY'S REPORT

Ms. Hall next reviewed with the Board the Delinquent Tax Attorney's Report, a copy of which is attached hereto. Ms. Hall noted that Section III of the Report reflects three (3) requests for installment payment agreements. Upon motion by Director Warren, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted

unanimously to approve the three (3) requests for installment payment agreements for the payment of delinquent taxes over a four (4) month period, with the provision that the residents' delinquent 2003 taxes and 2004 taxes be paid in full no later than January 31, 2005.

Ms. Hall then reported on receipt of a letter from the owner of 4811 Bridgeville Lane that included a partial payment of \$746.90 for delinquent 2003 taxes and requesting a waiver of the penalty and interest owed on the account, a copy of which is attached hereto. Ms. Hall noted that the tax statement was mailed to an address in Apple Valley, California, which was the address received from the Harris County Appraisal District, but the check reflects an address in Cleveland, Texas. The Board determined that the property owner must pay the penalty and interest on the account. Ms. Hall stated that she would notify the property owner that the penalty and interest could not be waived, send a delinquent tax statement for the balance owed, and send a change of address form to the property owner.

Ms. Hall next reported that a partial payment check in the amount of \$775.00 had been received from the resident of 4518 Tangle Creek Lane for payment of 2003 taxes, but noted that no letter accompanied the check. A copy of the tax statement and check is attached hereto. Ms. Hall stated that \$1,134.05 in delinquent 2003 taxes, including penalties and interest, is due on the account. The Board instructed Ms. Hall to send a delinquent tax statement for the balance owed and to notify the resident that his delinquent 2003 taxes and 2004 taxes must be paid by no later than January 31, 2005.

Upon motion by Director Warren, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Delinquent Tax Attorney's Report.

Ms. Sears and Mr. Cornelius then entered the meeting at 6:20 p.m.

#### DIRECTOR'S REPORT

Director Schkade reported that he had inspected the District's facilities with Mr. Almaguer on September 15, 2004 and provided a report on such inspection, a copy of which is attached hereto. Director Schkade noted that some of the items on his report had been noted on prior Director reports. Director Schkade reported that a lightning hit knocked out Lift Station No. 5 and recommended that Aqua Services look into installing electrical surge protectors at such facility.

Upon motion by Director Warren, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Director's Report. It was then noted that Director Schkade is also scheduled to inspect the District's facilities for the month of October.

Mr. Moy then entered the meeting at 6:25 p.m.

Mr. Conner and Mr. Almaguer reported that on Friday, September 17<sup>th</sup>, they had checked on all of the items reflected in Director Schkade's report and were in the process of attending to each of them.

## OPERATOR'S REPORT

Ms. Sears then reviewed the Operator's Report for the month of August with the Board, including the delinquent account list, copies of which are attached hereto. Ms. Sears reported that the District's water accountability ratio for the month was 91.5%, with a four (4) month average of 91.5%, and that there were eight (8) sludge hauls during the month. Ms. Sears added that there are currently 2,818 connections in the District, including 164 builder accounts and 41 vacancies. Ms. Sears reported that Aqua Services is working with Jones & Carter to integrate the District's GIS system into a format that Aqua Services can utilize.

Concerning the capping of old Water Well No. 1, Mr. Almaguer reported that he had received a copy of the plugging report filed with the TCEQ by Alsay, Inc., a copy of which is attached hereto.

Upon motion by Director Warren, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report and to authorize the termination of service to the delinquent accounts.

Director Steffes noted that Aqua Services had done a good job on the repairs to a water line break on Goldfinch.

## REVIEW ASSESSED VALUATIONS OF STONE FOREST AND RHODES LANDING AND REIMBURSEMENTS TO DEVELOPERS

Ms. Bobbitt reported that the pre-purchase letter from the TCEQ had just recently been received by Jones & Carter, a copy of which is attached hereto. Ms. Bobbitt also reported that Ms. Hall will update her previous house count in order to revise the values in the Stone Forest subdivision, if appropriate. Ms. Bobbitt added that Sowell is in the process of attending to the Rhodes Landing detention pond punch list items. Ms. Bobbitt recommended that either a special meeting be held prior to the Board's October meeting in order to fund the developer reimbursements or the matter be handled at the October 19<sup>th</sup> meeting.

A discussion then ensued concerning when a special workshop meeting could be scheduled. Directors Warren and Thomas reminded the Board that the meeting room was reserved for the District's use on the first and third Tuesday and the fourth Thursday of each month. Further discussion of an additional meeting date was deferred to later in the meeting.

## BOOKKEEPER'S REPORT

Ms. Jarmon next reviewed the Bookkeeper's Report with the Board, including the revenues and expenses of the District, the budget comparison, investment report and the checks being presented for payment, a copy of which is attached hereto. Ms. Jarmon reported that the monthly invoices had been sent to the various developers in the District for construction management services and to those developers with outstanding balances for annexations and/or feasibility studies.

Ms. Jarmon then noted that she is still holding reimbursement checks to the developers and noted that the checks would likely need to be rewritten. Ms. Jarmon added that \$9,900 in tap fee revenue had been received for the prior month.

Upon motion by Director Warren, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report and the payment of the checks reflected therein.

#### UPDATE ON STATUS OF GRAND PARKWAY ALIGNMENT

Director Warren commented that Senator Jon Lindsay had been overheard talking with Representative Debbie Riddle regarding "running over people" to get the Grand Parkway alignment matter settled. Director Thomas noted that Senator Lindsay was claiming that a straw vote was taken during the August 31, 2004 meeting held with area developers at Jones & Carter. Director Steffes stated that there was no official vote taken at the meeting, but only a request for a show of hands if attendees at the meeting were opposed to having the Grand Parkway at all. Mr. Conner concurred that there was no vote taken. Mr. Conner noted that there is a one-half to three-quarter mile corridor between the railroad track on the north and Alignment "D" that would accommodate an alternate alignment. Director Thomas asked if the Board should address the misconception that a straw vote was taken on a particular alignment. Director Steffes stated that having a joint meeting with Northampton Municipal Utility District ("Northampton") would address any hearsay and/or rumors concerning the matter.

Ms. Bobbitt then reported that she had recently sent a draft of the revised letter regarding the Grand Parkway matter to the Board for review and comment. Director Thomas interjected that a copy of the District's letter should also be sent to Dowdell Public Utility District. Mr. Conner, Mr. Shackelford and Ms. Bobbitt also stated that a copy of the District's letter should be sent to the neighboring utility districts in the area, including Meadowhill Regional Municipal Utility District, Encanto Real Utility District, North Forest Municipal Utility District, Shasla Public Utility District, Bilma Public Utility District, Northwest Harris County Municipal Utility District No. 30, and Northwest Harris County Municipal Utility District No. 32. Ms. Bobbitt asked the Board and consultants to review the draft of the Grand Parkway letter and to submit any comments and/or revisions to her office by no later than Friday, September 24, 2004, at 11:00 a.m. in order for her to send out a revised and final draft of such letter. Mr. Shackelford stated that Jones & Carter will prepare an economic impact analysis spreadsheet and a map of Alignment "D" for use as exhibits to the letter.

Ms. Hall then exited the meeting and Mr. McDonald entered the meeting at 7:02 p.m.

#### HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11 ("HCESD NO. 11")

Ms. Bobbitt then noted that the Board had been provided with a map of the newly established HCESD No. 11 and reported that an informational memorandum regarding such entity would be sent to the Board in the near future.

The Board then discussed removing the emergency services and voluntary fire department donation line items from the District's water/sewer service billing statements. Ms. Bobbitt noted that HCESD No. 11 will set a tax rate in the near future, and that such taxes

will be due and payable by no later than February 1, 2005. Upon motion by Director Warren, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor, with Director Steffes abstaining (Director Marks was not yet in attendance at the meeting), to remove the emergency service and voluntary fire department donation line items from the District's monthly water/sewer service billing statements, effective with the October statements. Ms. Sears noted that the billing statements would be mailed on or about October 10, 2004. Ms. Bobbitt stated that her office would prepare a notice to residents to be included with the billing statements.

#### REQUEST FOR SERVICE/ANNEXATION FOR 8-ACRE TRACT OF LAND

Mr. Peterson reported that Dr. Daykar Moparty has requested service/annexation for an 8-acre commercial tract of land located on FM 2920, across from the Kroger tract. Mr. Peterson noted that a medical clinic is being proposed for three (3) acres of the tract, and that Dr. Moparty had already submitted an application for service/annexation and a deposit of \$3,000.

#### REQUEST FOR SERVICE/ANNEXATION FOR 10.56-ACRE TRACT OF LAND

Mr. Peterson next reported that Mr. Adkisson had requested service/annexation for a 10.56-acre tract of land located on the south side of FM 2920 at Rhodes Road. Mr. Peterson noted that Mr. Adkisson had already submitted an application for service/annexation and a deposit of \$3,000. Mr. Peterson stated that there is an existing water line that can serve the proposed office/warehouse building and that sanitary sewer capacity may pose a problem.

Upon motion by Director Warren, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the service/annexation requests and authorize Jones & Carter to prepare feasibility studies on such tracts for the Board's review and consideration at the October meeting.

#### REVIEW FEASIBILITY STUDY FOR SERVICE/ANNEXATION FOR 1-ACRE SHIPLEY DO-NUT TRACT

Mr. Peterson next reviewed the feasibility study for the proposed 1-acre Shipley Do-Nut tract located at the southwest corner of FM 2920 and Rhodes Road and west of the existing Shell station, a copy of which is attached hereto. Mr. Peterson explained that there is adequate water capacity available and an existing public 12-inch water line along the southern right-of-way of FM 2920 to serve the tract. Concerning sanitary sewer service, Mr. Peterson noted that the tract will require an average daily flow of 1,500 gallons per day, and stated that there is an existing manhole located on the southeast corner of the Shell station. Mr. Peterson noted that due to the shallow depth of the manhole, the owner/developer would be responsible for the installation of a gravity service lead or a force main and grinder pump to the manhole. Mr. Peterson added that the owner/developer of the tract would also be responsible for drainage outfall and any detention requirements for the tract.

Upon motion by Director Warren, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted unanimously to approve the service/annexation request and authorize Jones & Carter and the attorney to proceed with the annexation process.

APPROVAL OF ANNEXATION AND SERVICE AGREEMENTS AND AGREEMENTS FOR FINANCING OF FACILITIES

Ms. Bobbitt then presented an Annexation and Service Agreement between the District and Villages of Senterra Lakes, L.P. for the Board's approval and execution, a copy of which is attached hereto.

Ms. Bobbitt next presented the Agreement for Financing of Facilities between the District and Villages of Senterra Lakes, L.P. for approval and execution, a copy of which is attached hereto.

Ms. Bobbitt also presented an Assignment from Villages of Senterra Lakes, L.P. ("Assignment") to First Continental Investment Co., Ltd. for the Board's acknowledgment and execution, a copy of which is attached hereto.

Ms. Bobbitt then presented an Annexation and Service Agreement between the District and Bridgestone Lakes Development Company, Inc. and explained that such Agreement is necessary due to the 7.245-acre tract that Mr. Hudson was annexing into the District to be developed as a portion of Bridgestone Lakes, Section 4. A copy of such Agreement is attached hereto.

Ms. Bobbitt also presented the Amended Agreement for Financing of Facilities to serve Bridgestone Lakes, Sections 1, 2, 3 and 4 (the "Amended Agreement") between the District and Bridgestone Lakes Development Company, Inc. Ms. Bobbitt noted that this was the second amendment to the Financing Agreement with Bridgestone Lakes Development Company, Inc., and explained that this Amended Agreement had been prepared to include Bridgestone Lakes, Sections 3 and 4. A copy of the Amended Agreement is attached hereto.

Upon motion by Director Warren, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the four (4) Agreements and the Assignment.

AGREEMENT FOR DISTRICT FIELD PROJECT REPRESENTATIVE SERVICES WITH PREVENTIVE SERVICES, LP ("PREVENTIVE SERVICES")

Mr. Conner then reported that Ms. Bobbitt had prepared an Agreement for District Field Project Representative Services with Preventive Services, a copy of which had previously been distributed to the Board and is attached hereto. Mr. Conner noted that the Agreement has an effective date of October 1<sup>st</sup>. Director Thomas asked how long it would take for the transition of field project representative services from Jones & Carter to Preventive Services. Mr. Shackelford stated that Jones & Carter will phase out as projects are completed and Preventive Services will take on the new projects. Upon motion by Director Thomas, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Agreement with Preventive Services.

Director Marks then entered the meeting at 7:40 p.m.

## GENERAL MANAGER'S REPORT

Mr. Conner then reviewed his General Manager's Report with the Board, a copy of which is attached hereto.

Mr. Conner noted that copies of the Harris County Constable's Report had previously been distributed to the Board, a copy of which is attached.

Mr. Conner first reported that a Constable on routine patrol one evening recently found an individual attempting to open and tamper with a fire hydrant on Bridgemont. A discussion ensued regarding what action the Board could take against the individual. Ms. Bobbitt noted that the District's Rate Order permits the Board to levy a fine or penalty of up to \$5,000 for tampering with and/or damaging the District's facilities. The Board asked Ms. Bobbitt to prepare a letter to the Harris County District Attorney.

Concerning construction on the 16.4-acre Raines tract, Mr. Conner reported that the contractor was still moving dirt on the project site despite the citations issued by the County. Mr. Shackelford stated he would follow up with the County on such matter.

Mr. Conner next reported that he had reviewed and analyzed the insurance proposals from Anco and AquaSurance and communicated his recommendation that the Board renew its insurance coverage with Anco to the Board via an e-mail, a copy of which is attached hereto. Mr. Conner noted that AquaSurance had brought up several coverage issues last week and, therefore, Mr. Mechler and Mr. McDonald were present at tonight's meeting if the Board had any questions. Upon motion by Director Marks, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor and one (1) vote opposed, with Director Warren voting in opposition, to renew the District's insurance coverages with Anco.

Mr. Mechler then exited the meeting at 8:00 p.m.

Mr. Conner next reported that the Harris County Health Department, Harris County Pollution Control Department, Harris County Engineering, Harris County Fire Marshall's Office and CenterPoint Energy, Inc. had been alerted regarding the deterioration and resulting health and safety issues in connection with the Albertson's stormwater detention basin.

Mr. McDonald then exited the meeting at 8:05 p.m.

Concerning the Bonds Gully drainage improvements, Mr. Conner reported that DonMar Grading, Inc. worked on the installation of the 60-inch replacement culverts over the weekend, and that C & C, Inc. had completed the hand clearing of approximately 400 feet of Bonds Gully located near Progressive Pumps. Mr. Conner stated that it does not appear it will be necessary to clean the remainder of Bonds Gully down to Spring-Cypress Road.

Upon motion by Director Thomas, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to approve the General Manager's Report.

## ENGINEER'S REPORT

The Board next recognized Mr. Peterson, who reviewed the Engineer's Report with the Board, a copy of which is attached hereto.

Mr. Peterson reported that performance tests were run on Water Well Nos. 1, 2, 3 and 4, and that results of such tests indicate that all four (4) of the water wells are operating satisfactorily. Mr. Peterson added that Well Nos. 3 and 4 are in excellent condition, but that the flow meter at Water Plant No. 1 needs to be checked and possibly recalibrated.

Mr. Peterson next reported that the Greater Houston Builder's Association (the "GHBA") has requested that developers and utility districts that are having problems obtaining Harris County Flood Control District acceptance of drainage and detention facility projects for maintenance contact the GHBA with information on such project. Mr. Peterson stated that he is preparing a list of such projects for Ms. Bobbitt to submit to the GHBA.

Mr. Peterson then reported that Jones & Carter had reviewed the equipment submittals from Sowell for the adjustment to the Rhodes Landing stormwater pump station and found them to be acceptable.

Concerning the status of review by LJA of the proposed combined detention facilities for Spring Terrace and Bella Sera, Mr. Peterson reported that a meeting was being scheduled with the developers, engineers, Mr. Conner and Ms. Bobbitt to review the LJA conclusions and findings.

Mr. Peterson next reported that a pre-construction meeting was scheduled tomorrow at 9:00 a.m. in connection with the construction of the detention facilities to serve Bella Sera.

Mr. Peterson then reported that he had recently met with Mr. West regarding the annexation of a 5.0967-acre commercial tract located at Rhodes Road and Kuykendahl Road. Mr. West then submitted his Service/Annexation Application and feasibility study deposit to Ms. Dold.

Mr. Senn then exited the meeting at 8:15 p.m.

Director Marks then asked Ms. Jarmon how she tracks all of the bond-related costs from the Jones & Carter invoices. Ms. Jarmon then reviewed the procedure by which she tracks the engineering fees on the various developer projects. Director Marks asked the engineers to provide more descriptive information on their invoices concerning the work they are performing on a particular project.

Director Thomas then stated that he would appreciate more information and background on the process and procedures by which the District issues bonds. Ms. Bobbitt responded that Mr. Short would be willing to hold a workshop meeting for the Board and she will contact him regarding such matter.

Director Schkade asked about the origin of the Grand Parkway Alignment "D" map. Messrs. Shackelford and Conner then reviewed the discussions and meetings that previously

took place concerning the Grand Parkway. Mr. Shackelford emphasized that the map was never presented as the District's position concerning the location of the Grand Parkway alignment and was only developed as a discussion tool.

Mr. Shackelford then reported that he had received a call from United Believers Church regarding the relocation of the Gosling Pines outfall ditch. Mr. Shackelford stated that Jones & Carter may need to determine a way to provide service to the church and will be looking into such matter.

Mr. Conner reported that Ms. Lu, a resident of Bridgestone Lakes, has been denying access to Aqua Services to make a tap connection. Mr. Conner stated that the Constable will escort the Aqua Services representative to the property in order to make the tap.

Upon motion by Director Warren, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

#### ATTORNEY'S REPORT

Ms. Bobbitt reiterated her request for comments on the Grand Parkway letter not later than Friday, September 24<sup>th</sup>, at 11:00 a.m. Ms. Bobbitt stated that she would forward the final letter to Mr. Conner to get it executed by the Board members.

Ms. Bobbitt also asked the Board to review the updated copy of the District's directory and make any necessary changes.

#### ORDER CHANGING AND ESTABLISHING DISTRICT MEETING PLACES AND DESIGNATING DISTRICT OFFICES

Ms. Bobbitt reported that in light of possibly scheduling a joint meeting with the District and Northampton to discuss the Grand Parkway, it would be a good idea to establish a District meeting place at The Woodlands office of Jones & Carter. Ms. Bobbitt noted that she had prepared an Order for the Board to take such action. Upon motion by Director Marks, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Changing and Establishing District Meeting Places and Designating District Offices, a copy of which is attached hereto.

#### ASSOCIATION OF WATER BOARD DIRECTORS - TEXAS (THE "AWBD") FALL SEMINAR

Ms. Jarmon then asked the Directors to let her know if they are going to attend the AWBD Fall Seminar to be held on Wednesday, October 27, 2004, at 5:30 p.m. at the Marriott Houston Westchase.

#### MISCELLANEOUS MATTERS

It was then noted that the next regular meeting of the Board will be held on Tuesday, October 19, 2004, at 6:00 p.m. at the Bridgestone Community Center.

Mr. Haaland then exited the meeting at 8:55 p.m.

The Board then agreed to hold the Financial Advisor's Workshop on Tuesday, October 12, 2004, at 6:30 p.m. at the Bridgestone Community Center. Mr. Conner reported that he will not be available to attend the regular meeting on October 19<sup>th</sup>. Ms. Bobbitt was instructed to include the Engineer's Report, General Manager's Report and the Financial Advisor's Workshop on the October 12<sup>th</sup> agenda. Ms. Bobbitt suggested that the developer reimbursement matters be scheduled for the October 19<sup>th</sup> meeting.

Director Steffes then asked Ms. Bobbitt to look into including the new County fire code requirements in the District's Policies and Procedures for Development.

Director Warren asked Mr. Conner about the status of upgrading the air conditioning system in the Bridgestone Community Center. Mr. Conner responded that he has asked the contractor that installed the current system for a cost estimate to upgrade the system, but had not yet received such information.

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

PASSED, APPROVED AND ADOPTED this 19<sup>th</sup> day of October, 2004.

/s/Ronald W. Schkade

---

Secretary, Board of Directors

(DISTRICT SEAL)