



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.

The Board then recognized Mr. Scott Doba and noted that he is working on his Civic badge.

### **CONSENT AGENDA**

Director Warren then reviewed with the Board the items reflected on the Consent Agenda. Director Warren 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 Warren stated that the minutes of the special meeting on October 4, 2005 and item no. B.3.b. have been removed from the Consent Agenda.

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 the following Consent Agenda items: 1) the minutes of the regular meetings of September 20, 2005 and October 18, 2005, as written; 2) authorize Jones & Carter to proceed with the design of the Hike/Bike Trail and the Sewage Treatment Plant (the "STP") expansion; 3) review bid tabulations and approve the award of construction contracts to: a) Pace Services, L.P. in the amount of \$101,238.70 for construction of the water, sewer and drainage facilities to serve Springbrook, Section 7, and b) McKinney Construction, Inc. in the amount of \$203,479.00 for construction of the offsite water line extension to serve the Villages of Senterra Lakes development; and 4) approve the following pay estimates: a) Pay Estimate No. 5 in the amount of \$22,446.00 to Big State Excavation, Inc. for construction of the water, sewer and drainage facilities to serve Northcrest Village, Section 1, and b) Pay Estimate No. 6 in the amount of \$21,174.75 to Lecon, Inc. for construction of the detention pond to serve Villages of Senterra Lakes, Section 1.

### **REGULAR AGENDA**

#### **ORDER ADDING LAND AND REDEFINING BOUNDARIES OF THE DISTRICT**

Ms. Bobbitt then reported that the City of Houston (the "City") had consented on November 9, 2005, to the annexation of two (2) tracts of land into the District, including: 1) the 7.9103-acre Moparty Clinic tract; and 2) the 0.9891-acre Shipley Do-Nut tract. Ms. Bobbitt next presented an Order Adding Land and Redefining Boundaries of the District (the "Order") for the Board's approval. Upon motion by Director Thomas, seconded by Director Schkade, after full discussion and the question being put the Board, the Board voted unanimously to adopt the Order, a copy of which is attached hereto.

APPROVE AND AUTHORIZE EXECUTION OF AMENDED DISTRICT INFORMATION FORM

Ms. Bobbitt then explained that pursuant to Section 49.452 of the Texas Water Code, as amended, the District is required to amend its District Information Form any time information in such form is revised or updated and, therefore, since the District's boundaries have been redefined, an amendment to the District Information Form is necessary. 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 authorize the execution of the Amended District Information Form, a copy of which is attached hereto, and to authorize the District's attorneys to file such amendment in the Harris County Real Property Records and with the Texas Commission on Environmental Quality (the "TCEQ"), as required by law.

RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO THE BOARD OF DIRECTORS OF HARRIS COUNTY APPRAISAL DISTRICT ("HCAD")

Ms. Bobbitt next presented a Resolution Casting Ballot for the Election of a Person to the Board of Directors of HCAD (the "Resolution") for the Board's review and adoption. Ms. Bobbitt noted that Mr. Glenn E. Peters was the candidate running for the HCAD board position to be filled by the conservation and reclamation districts. 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 cast a ballot in favor of Mr. Peters and adopt the Resolution, a copy of which is attached hereto.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board then recognized Ms. Hall, who presented the Tax Assessor/Collector's Report for the month of October, a copy of which is attached hereto. Ms. Hall reported that 97% of the District's 2004 taxes have been collected as of today's date. Ms. Hall also reported that the 2005 tax statements had not yet been mailed out to District taxpayers.

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 the Tax Assessor/Collector's Report and to authorize payment of the checks reflected therein.

Director Steffes then entered the meeting at 6:10 p.m.

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 no action was required by the Board on the Delinquent Tax Attorney's Report at this time.

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 further noted that the District had received \$28,875 in tap fees during the month. Ms. Jarmon stated that she was going to void check no. 8676 to Republic, which had included a \$0.75 per connection charge for collection of Hurricane Rita storm debris, such charge having been waived by Mr. Smith. Ms. Jarmon noted that she was issuing check no. 8727 in the amount of \$32,000.92 to Republic.

Ms. Hall then exited the meeting at 6:13 p.m.

Ms. Jarmon next reported that a copy of the proposed budget for the fiscal year ending December 31, 2006 is attached to the Bookkeeper's Report for review and comment by the Board and the consultants. Ms. Jarmon asked that the Board and consultants review the proposed budget and submit comments to her prior to the December meeting when the budget would be adopted.

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 the Bookkeeper's Report, the investment report and the payment of the checks reflected therein.

#### REVIEW AND DISCUSS PROPOSED EXTENSION/RENEWAL OF ELECTRIC SERVICE PROVIDER CONTRACT

Mr. Harrington presented a six (6) month savings and projected future savings report to the Board and noted that the District had realized a savings of an estimated \$21,184 to date on the electric service bills for the District's facilities as a result of the current electric service provider contract. Mr. Harrington reported that electric power prices have begun to decline. Mr. Conner reported that based on the projected future savings data presented by Mr. Harrington, he was recommending that the Board approve and authorize execution of a one (1) year contract with Direct Energy. 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 the General Manager to execute a one (1) year contract with Direct Energy.

Mr. Harrington then exited the meeting at 6:20 p.m. and Mr. Early entered the meeting.

#### DIRECTOR'S REPORT

Director Steffes then reported that he had inspected the District's facilities last week with Mr. Almaguer. Director Steffes first reported that the gate opener at the STP had been replaced and that the old opener was saved to use for spare parts. Director Steffes reported that the fence at Lift Station No. 2 was in very bad condition due to storm damage and vandalism. Mr. Conner noted that he was waiting for claim information from the insurance company on such matter.

Concerning the water plants, Director Steffes reported that: 1) the new water jet at Water Plant No. 1 needs attention; 2) the Water Plant No. 2 paint project was looking better; and 3) the new well motor had been installed at Water Plant No. 3.

Director Steffes noted that the contractor for the North Harris County Regional Water Authority's transmission line needs to clean-up the construction area in the District.

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 the Director's Report.

### OPERATOR'S REPORT

Ms. Sears next reviewed the Operator's Report for the month of October with the Board, including the termination list, copies of which are attached hereto. Ms. Sears first reported that the District's four (4) month water accountability ratio was 90.6%, and that there were nine (9) sludge hauls during the prior month. Ms. Sears added that there are currently 3,476 connections in the District, including 2,868 residential accounts, 352 builder accounts and 83 vacancies.

Ms. Sears then noted that December 28, 2005 is the date for termination of service to the delinquent accounts and asked if the Board wanted to change the termination date since the regular date is so close to New Year's day. 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 change the service termination date for delinquent accounts from December 28, 2005 to January 9, 2006.

Director Steffes noted that he had experienced a problem with the Aqua Services phone system three (3) weeks ago. Ms. Sears stated that she would look into such matter.

Ms. Sears then stated that Aqua Services would host a dinner at the District's December 20, 2005 meeting.

Director Schkade then questioned whether the sewer blockage at Bridgeview Plaza could be traced to an individual grease trap and/or tenant. Mr. Conner stated that he would investigate the matter, but it is unlikely that the problem can be linked to a specific tenant. The Board then authorized Mr. Conner to backcharge the tenant for the costs to clear the blockage if he is able to identify the tenant responsible for the blockage.

Director Schkade next noted that there were three (3) Aqua Services invoices regarding work performed at Water Plant No. 3 and questioned such invoices. Mr. Almaguer explained that the invoices were related to problems with the faulty control panel at such facility. Director Schkade requested that Aqua Services include the invoices in the District's insurance claim regarding the well motor at Water Plant No. 3.

Ms. Sears next reported that the District has fulfilled all but one (1) of the requirements for the Water Smart program of the Association of Water Board Directors – Texas (the "AWBD"). Ms. Sears explained that the District still needs to fulfill the requirement to communicate with District customers regarding water conservation. Director Thomas reported that in working with Ms. Barbara Payne, the consultant contractor for the District's website, on improvements to the District's website, he has learned about the North Harris County Regional Water Authority's (the "NHCRWA") **Journey to Pansophigus** water conservation education

program and recommended that the Board consider sponsoring the program at Roth Elementary School and Northwoods Catholic School in the fifth (5<sup>th</sup>) and sixth (6<sup>th</sup>) grades.

Director Marks then entered the meeting at 6:45 p.m.

Director Thomas continued his report, stating that Ms. Payne has been talking with the director of the Klein Independent School District ("KISD") Science Department about integrating the NHCRWA's water conservation educational program into the KISD curriculum. Director Thomas stated that the educational program would qualify for the AWBD requirement for communication with the District's customers. Director Thomas suggested that the District's website offer a link to the NHCRWA's website page regarding the **Journey to Pansophigus** program. Director Thomas also stated that he is also working with Ms. Payne on an idea for a District mascot of a frog that lives beneath a stone bridge and a related contest to name and color the frog. Director Thomas estimated that the District's participation in the website project is estimated to cost \$2,500 for the design and improvements, plus a cost of \$200 per classroom kit for the **Journey to Pansophigus** program for use in each of the fifth (5<sup>th</sup>) and sixth (6<sup>th</sup>) grade classes at the two (2) schools located in the District. The Board asked that an action item regarding such matter be placed on the December agenda.

Upon motion by Director Marks, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Director Thomas to proceed with his improvements to the District's website and to obtain additional information regarding the District's sponsorship of the **Journey to Pansophigus** water conservation educational program, to approve the Operator's Report and to authorize the termination of service to the delinquent accounts on January 9, 2006, in accordance with the provisions of the District's Rate Order.

#### REVIEW AND DISCUSS GARBAGE COLLECTION SERVICE MATTERS

The Board then recognized Mr. Smith, who addressed the Board concerning garbage collection issues in the District. Mr. Smith reported that a third (3<sup>rd</sup>) collection truck had been added to the collection route schedule in the District. A discussion ensued regarding the collection time parameters reflected in the District's contract with Republic. Mr. Smith then noted that Republic observes three (3) holidays a year, including Thanksgiving day, Christmas day and New Year's day. Director Warren stated that he believes a Wednesday/Saturday pick-up schedule might work better in the District. Mr. Smith agreed that Wednesday/Saturday is typically a lighter schedule, but that he did not think that there would be any cost savings to the District for such schedule. Mr. Smith stated that he would discuss a change in service days with Republic's management. Ms. Bobbitt reminded the Board that three (3) years ago when the District had only three (3) subdivisions, the garbage collection service providers had recommended splitting the District into two (2) service schedules and now that the District has grown to 12 subdivisions, reconsideration of a split pick-up schedule may be necessary. Mr. Smith stated that splitting the District into two (2) service day schedules may be the best answer to the collection time issues. Director Thomas commented that the Board would like Republic to come up with a service plan that will bring them into compliance with the 7:30 a.m. to 4:00 p.m. schedule reflected in the District's contract with Republic. Mr. Smith noted that Republic's new service contracts specify a collection time of 7:00 a.m. to 7:00 p.m. Mr. Conner

asked the Board to let him work with Mr. Smith and Republic to resolve the garbage service issues.

Mr. Gillogly then asked Mr. Smith if heavy trash day could be switched to the Monday collection day. Mr. Smith stated that Mondays are Republic's busiest day and that is why the heavy trash is collected on the second (2<sup>nd</sup>) pick-up day.

Mr. Smith stated that he would work with Mr. Conner to resolve the garbage collection service issues and exited the meeting.

#### ENGAGEMENT OF AUDITOR

The Board then recognized Ms. Levine, who presented an engagement letter to prepare the District's audit report for the fiscal year ending December 31, 2005, a copy of which is attached hereto. Ms. Levine stated that McCall Gibson estimates a cost between \$12,000 and \$14,000 to prepare the District's audit report. Director Marks then asked if the District should consider changing auditors since McCall Gibson has been the District's auditor for several years. Ms. Jarmon advised against changing auditors if there are not problems with the existing auditor due to the size and complexity of the District. 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 engage McCall Gibson to prepare the District's audit report for the fiscal year ending December 31, 2005 and authorize execution of the engagement letter.

#### 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 Jones & Carter met with Mr. Schindewolf, General Manager of the NHCRWA, to continue discussions regarding the District's water supply, capacity needs, elevated storage requirements, the District's participation in the Groundwater Transfer Program and the delivery of surface water beginning in 2010. Mr. Peterson noted that several scenarios were discussed and are currently being reviewed.

Mr. Peterson then reported that the engineer for Northwest Harris County Municipal Utility District No. 30 ("NHCMUD 30") had recently contacted him about obtaining additional water supply capacity from the District. Mr. Peterson noted that Jones & Carter and Mr. Conner are discussing such matter with the NHCMUD 30 engineer. Director Marks then asked if NHCMUD 30 is the same district that was so difficult to deal with concerning the stormwater drainage for the Springbrook subdivision. Mr. Shackelford stated that it was the same district. Mr. Conner interjected that it may be in the District's best interest to work with NHCMUD 30 regarding their water supply needs in light of the District's need for a fourth (4<sup>th</sup>) well. Mr. Conner stated that the District does not want to construct an elevated storage tank at an estimated cost of \$2.4 million that would only serve the District for a brief period of time if it can be avoided by constructing Water Plant No. 4 and having the NHCRWA designate such facility as a regional water plant for the NHCRWA. Director Marks then asked when Water Plant No. 4 will be needed. Mr. Shackelford responded that it is projected the District will need additional water supply capacity within the next 18 months. Mr. Shackelford noted that it would take an

estimated six (6) months to design the plant and another six (6) months to construct the facility. Mr. Conner noted that he has a meeting with the NHCRWA representative tomorrow to further discuss Water Plant No. 4.

A discussion ensued concerning the cost for the NHCRWA to run a line up the CenterPoint Energy right-of-way easement to connect Water Plant Nos. 3 and 4. Mr. Conner stressed that the District needs to work with the NHCRWA to avoid being required by the TCEQ to construct an elevated storage tank. Mr. Conner also noted that it would be the NHCRWA that would actually provide water to NHCMUD 30 off of the transmission line between Water Plant Nos. 3 and 4.

Mr. Peterson next reviewed the feasibility study, a copy of which is attached hereto, for the proposed Kids R Kids commercial development on a 2.1-acre tract of land located within the boundaries of the District on the west side of Kuykendahl Road and south of Springbrook Garden Lane. Mr. Peterson noted that an existing 12-inch water line along Kuykendahl Road could provide water service to the tract, and that an existing 12-inch sanitary sewer line along Springbrook Garden Lane could provide sanitary sewer service to the tract. Mr. Peterson stated that it would be the developer's responsibility to determine drainage outfall and any detention requirements for the development.

Concerning the status of the Water Supply and Wastewater Treatment Agreement with KISD regarding the 100-acre site for Krimmel Intermediate School, Mr. Peterson noted that the Board of Directors of KISD had approved the proposed agreement and were preparing the necessary easement documents and a boundary survey for the proposed Water Plant No. 4 site.

Director Marks then inquired if the Shipley's Do-Nut property was within the boundaries of the District. Ms. Bobbitt responded that such tract had been officially annexed by the District earlier in the meeting.

Mr. next Peterson reported that the engineering design for the proposed extension of T.C. Jester Boulevard and the installation of a District water line extension by KB Home was near completion.

Upon motion by Director Schkade, 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.

Mr. Shackelford then asked Ms. Jarmon to issue a check in the amount of \$52,248.30 to Northcrest 2920, LP as reimbursement for the 9X5 box culvert located west of Kuykendahl Road. A copy of the request letter for such reimbursement is attached hereto.

#### STORMWATER QUALITY MAINTENANCE

Mr. Shackelford then presented five (5) letters for the President's execution, copies of which are attached hereto. Mr. Shackelford explained that such letters are now required by the Harris County Flood Control District (the "HCFCD") and that Jones & Carter and the developers were taking all necessary steps to insure that the detention and stormwater facilities (the "Facilities") for Senterra Lakes and Villages of Senterra Lakes are designed and built for

HCFCFCD acceptance and maintenance by the HCFCFCD. Mr. Shackelford explained that two (2) of the letters were to Mr. Hudson stating that the District will be the entity of record responsible for the Facilities operation and maintenance once the construction of the Facilities is in compliance with the approved construction documents, until such time as the HCFCFCD accepts the Facilities for operation and maintenance. Mr. Shackelford further explained that two (2) of the letters are to Mr. Raymond Anderson of the Harris County Public Infrastructure Department acknowledging the Board's acceptance of the Senterra Lakes and Villages of Senterra Lakes Facilities on an interim basis until the HCFCFCD accepts the facilities for operation and maintenance. Mr. Shackelford added that the fifth (5<sup>th</sup>) letter to Mr. David Saha of the HCFCFCD states that the District will maintain the District's 12-inch water line in a 10-foot water line easement located on the detention pond maintenance berm that is north of and parallel to the Spring Cypress right-of-way west of the HCFCFCD Unit No. K131-00-00. Ms. Bobbitt stated that she had reviewed the letters and her comments had been incorporated into the five (5) letters. 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 authorize execution of the letters.

Upon motion by Director Thomas, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously that the District be designated as the entity of record for Senterra Lakes and Villages of Senterra Lakes on an interim basis until the Facilities are accepted by the HCFCFCD.

Messrs. Doba then exited the meeting at 8:07 p.m.

#### GENERAL MANAGER'S REPORT

Mr. Conner next presented the General Manager's Report, previously distributed to the Board, a copy of which is attached hereto.

Mr. Conner stated that the Harris County Precinct 4 Constable's Report had been previously distributed to the Board, a copy of which is attached hereto.

Mr. Conner next reported that he has requested a renewal of the Constable's Law Enforcement Contract with Constable Blankenship assuming the position of Lieutenant and supervising six (6) deputies to patrol the District on a 70% contract basis. Mr. Conner further reported that Harris County Commissioners' Court has increased the fee for contract services by 2.4% for the upcoming year. Mr. Conner noted that the renewal contract, once received, will be submitted for execution by the Board at the December meeting.

Mr. Conner next reported that he was continuing work on the insurance claims for wind damage from Hurricane Rita, which damage was mostly to the District's fences at Water Plant Nos. 1 and 2 and Lift Station Nos. 1, 2, 4, 5 and 6.

Concerning the proposed Hike/Bike Trail, Mr. Conner reported that he had met with Ms. Rachel Powers, Community Services Coordinator with the HCFCFCD, to discuss the proposed Hike/Bike Trail project. Mr. Conner reported that Ms. Powers had approved the concept and will assist the District with the process. Mr. Conner noted that eventually the District and the HCFCFCD will enter into an agreement for the installation and maintenance of the proposed

Hike/Bike Trail. Mr. Conner stated that the District will be required to submit signed and sealed plans for the Hike/Bike Trail to the HCFCFCD for their review and approval. Director Schkade noted that a resident confronted him about using District tax funds for the Hike/Bike Trail. Ms. Bobbitt noted that State law had been amended over the last several years regarding the use of District funds for recreational purposes. Ms. Bobbitt also noted that the District can use the proceeds from its strategic partnership agreement (the "SPA") with the City to pay for the Hike/Bike Trails project, if the SPA is approved by the City.

Director Marks then exited the meeting at 8:12 p.m.

Mr. Conner added that the HCFCFCD will not give its official approval of the project until the agreement between the District and the HCFCFCD is finalized.

Regarding the District's participation in the second round of SPAs, Ms. Bobbitt reported that the City will designate hearing dates for the SPAs in December or January. Ms. Jarmon noted that it takes approximately 90 days from the City's approval of the SPA until the District will receive any funds from the City.

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

#### ATTORNEY'S REPORT

Ms. Bobbitt reported that the Cost Sharing Agreement for Joint Detention Facilities (Spring Terrace/Bella Sera Subdivisions) in connection with Spring Terrace and Bella Sera detention facilities have been sent out for signatures.

Mr. Early reported that Parkside is ready to advertise for bids for the water, sewer and drainage facilities to serve their development. Ms. Bobbitt asked Mr. Early to have Mr. Teague Harris, the engineer for Meadowhill Regional Municipal Utility District, contact Mr. Shackelford about Jones & Carter's review of the Parkside plans. Mr. Early noted that Parkside will first develop Phase 1 comprised of 12 acres of the total 93 acres. Mr. Early noted that the subdivision name had not yet been decided. Mr. Early stated that the project plans would be submitted to Jones & Carter for review.

Directors Thomas and Warren then inquired about the Texas Mega Storage project. Mr. Shackelford responded that there had not been any further action or communication on such project since the Board's last meeting. Mr. Shackelford speculated that Mr. Darren Raines is talking to adjacent landowners regarding acquisition of the emergency overflow swale easement.

#### MISCELLANEOUS MATTERS

Ms. Bobbitt then noted that the next regular meeting of the Board would be held on Tuesday, December 20, 2005, at 6:00 p.m. at the Bridgestone Community Center. Mr. Conner stated that he would work with the Board to schedule a special meeting in early December.

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

PASSED, APPROVED AND ADOPTED this 17<sup>th</sup> day of January, 2006.

/s/Ronald W. Schkade

---

Secretary, Board of Directors

(DISTRICT SEAL)

S:\Bridgestone\Minutes\2005\11-15-05.doc