

MINUTES OF REGULAR MEETING
OF
CYPRESS FOREST PUBLIC UTILITY DISTRICT

April 5, 2005

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Board of Directors of Cypress Forest Public Utility District, Harris County, Texas, met in regular session, open to the public, on the 5th day of April, 2005, at the Cypress Forest Public Utility District's Administrative Building, 16215 Champion Forest Drive, Spring, Texas, 77379, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Roger P. Balog	President
Michael J. Lynch, Jr.	Vice President
Thomas J. Petrick	Secretary
William J. Lawrence	Assistant Vice President
Deborah L. Jackson	Assistant Secretary

and all of said Directors were present thus constituting a quorum.

Also present at the meeting were the following: Marshall Scoth, Margie Crump, Peggy Jo Coker, Carole McCarley, John Griffin, Anita Griffin, David Ellis, Bonnie Ellis, Irv Grayson, Nancy Grayson, Steve Stewart, Kathy Stewart, Linn Smyth, Donna Cox, and Rozann Janek, residents; Barbara Payne of Payne Communications; Donnie Roseman of Perdue, Brandon, Fielder, Collins & Mott LLP; Floyd Mechler of AquaSurance; Greg Sonnier of Lawn Escape, Inc.; Kim Hamel of The Legacy Group; Nabil Joubran of Pepe Engineering, Ltd.; Kim Shelnutt of Myrtle Cruz, Inc.; Greg Ordeneaux of Tax Tech, Inc.; Bob Haas of Aqua Services, L.P. ("Aqua Services"); Steve Robinson of Allen Boone Humphries Robinson LLP ("ABHR"); and Justine M. Cherne, Recording Secretary.

Director Balog called the meeting to order.

RECEIVE PUBLIC COMMENTS

Director Balog opened the meeting to receive public comments. Copies of the Public Comment Cards are attached. Bonnie Ellis and David Ellis of 16103 Champion Drive stated that they were upset with curbside garbage collection services and that they liked the previous collection schedule.

Nancy Grayson of 8823 Kennet Valley, 16243 Rutley and 9131 Herts Road thanked the Board for their participation in the beautification of the entrances to the neighborhood. She stated that the curbside garbage collection services hurts the appearance of the neighborhood. She stated that she does not know the garbage collection schedule and that there does not seem to be a regular schedule. She stated that people who miss the collection leave their garbage out on the curb.

Margie Crump of 15903 Guinstead Drive stated that her neighbors previously placed their garbage at the curb when back door collection service was provided.

Peggy Jo Coker of 15819 Guinstead Drive stated that back door garbage collection service is vital to home values.

Carole McCarley of 9711 Windrush stated that she agrees with all of the previous statements. She stated that the District's residents did not know that back door service was previously provided. She stated that garbage is sitting on the curb today because of the current collection schedule. She stated that trash from landscaping stays on the curb over the weekend until Monday because of the current collection schedule. She stated that all of the neighborhoods surrounding the District have back door garbage collection service.

Donna Cox of 15915 Hanuck stated that the Board should not make a decision regarding garbage collection services based only on the ballots distributed to the residents because there was a lot of confusion regarding who is saving money with the change in garbage collection service providers. She stated that many people believed that they were saving money for the subdivision and didn't realize that their own money was being saved.

The Board thanked the public for their comments.

APPROVE MINUTES

The Board next considered approving the minutes of the District's regular meeting held on March 1, 2005. Following review and discussion, Director Lynch moved that the Board approve the minutes as written. Director Lawrence seconded the motion, which was approved by unanimous vote.

REVIEW PROPOSALS AND RENEW INSURANCE POLICIES

Ms. Cherne noted that proposals for insurance from Anco Wessendorff Insurance and Harco Insurance Services were previously distributed to the Board members with a comparison chart. She distributed an insurance proposal from AquaSurance and stated that an updated comparison chart will be distributed to the Board members.

Mr. Mechler next discussed with the Board an insurance claim for a sewage backup incident that occurred on 15919 Maplehurst. He stated that the adjuster made contact with the resident on the afternoon that the claim was made. He stated that the claim was settled with the resident and described the work covered under the settlement. Mr. Haas stated that the sewage backup was caused by a sewer main blockage. Mr. Robinson stated that many utility districts do not carry insurance coverage for these types of incidents and that the District has governmental immunity for governmental actions. He stated that the District should be commended for carrying such coverage because homeowner's insurance policies do not normally cover such incidents. No Board action was necessary.

BOOKKEEPER'S REPORT

The Board next received the bookkeeper's report and considered payment of the bills. Ms. Shelnutt presented 31 checks for the Board's approval. She reviewed the year-to-date budget, Maintenance Fund Recap, and the fiscal year expenditures for the administrative building. She next reviewed the investment report as required by the Public Funds Investment Act. She reported that the surplus funds approved for release by the Texas Commission on Environmental Quality (the "TCEQ") have been posted to the General Operating account. Following review and discussion, Director Lawrence moved that the Board approve the bookkeeper's report and authorize payment of the bills. Director Jackson seconded the motion, which was approved by unanimous vote. Copies of the reports and a list of the checks presented for payment are attached.

AUTHORIZE EXECUTION OF UTILITY BILL AUDIT AGREEMENT WITH THE LEGACY GROUP FOR THE DISTRICT'S ELECTRICITY BILLS

Mr. Robinson reported that he has reviewed the proposed Utility Bill Audit Agreement and will revise the agreement to clarify that the audit is limited to events that occurred over the previous 48 months. Following discussion, Director Lynch moved that the Board authorize execution of the Utility Bill Audit Agreement with the Legacy Group subject to Mr. Robinson's revisions. Director Jackson seconded the motion, which was approved by unanimous vote.

RECEIVE PRESENTATION ON ANALYSIS OF EFFICIENCY OF USE OF ELECTRICITY AND AUTHORIZE APPROPRIATE ACTION

Ms. Hamel next presented to the Board an analysis of the efficiency of the District's use of electricity, a copy of which is attached. She stated that the district has six meters but only three meters were analyzed due to the flat demand of the other three meters. She reviewed the analysis of the three meters and answered questions from Board members. Following review and discussion, the Board concurred that no action was necessary.

DISCUSS GUIDELINES FOR A DISTRICT WEB SITE AND AUTHORIZE APPROPRIATE ACTION

Director Lawrence stated that after reviewing the Directors' comments on proposed guidelines for a District web site, he believes that the Bridgestone web site represents just about everything the Board would like to see in a web site. He said that the District's web site should be easy to navigate, contain pertinent topics, links to appropriate sites and e-mail addresses. He stated that he liked the ability to pay water bills on-line or by bank draft as contained on the Fort Bend County MUD 25 web site. He stated that meeting agendas and minutes from past meetings and concise information regarding trash collection services are additional components that should be included on the District's web site presented in a style and layout similar to the Bridgestone web site. He discussed additional items proposed to be included on the site such as changes in the District's Rate Order, election information, water topics, information from the Harris County Constable and the District's newsletter. Mr. Haas stated that Aqua Services is developing a system to allow for payment of water bills on-line or by bank draft. Mr. Robinson discussed interactive and maintenance web site issues with the Board and recommended that the Board adopt a web site policy. The Board authorized Mr. Robinson to draft a web site policy for review at the next regularly scheduled meeting.

Ms. Payne discussed with the Board the web site services provided by her company. She stated that she doesn't allow interactive postings onto web sites due to her experiences with hackers. She stated there is a blind menu and that she normally has a response time within 24 hours. She stated that inquiries can be channeled to the appropriate consultant or Board member. She stated that she offers a managed hosting package with a 48-hour guarantee for posting of information. She stated that the information generally is posted within 12 hours. She stated that the web site described by the Board today is the Plan C, Full Site package presented to the Board last fall. Following review and discussion, Director Petrick moved that the Board direct Ms. Payne to implement the District's web site pursuant to Plan C presented at the District's November 18, 2004, meeting for \$1,245.00 plus \$74.95 per month for managed hosting. Director Lawrence seconded the motion, which was approved by unanimous vote. A copy of the proposal for web site design and hosting is attached.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board next received the tax assessor/collector's report and considered payment of the tax bills. Copies of the report and a list of the checks presented for payment are attached. Mr. Ordeneaux stated that 95.25% of the year 2004 taxes had been collected as of the end of the prior month. He then presented 9 checks for approval and reviewed the delinquent list. Mr. Roseman answered questions from Board members regarding escrow issues.

Mr. Roseman next reviewed with the Board a Delinquent Tax Report, a copy of which is attached. He recommended moving certain accounts to the uncollectible roll to manage the District's receivables. After review and discussion, Director Lawrence moved that the Board approve the tax assessor/collector's report and payment of the tax bills, the Delinquent Tax Report and any necessary collection action, and authorize moving the recommended accounts to the uncollectible roll. Director Petrick seconded the motion, which was approved by unanimous vote.

ENGINEER'S REPORT

The Board next received the engineer's report, a copy of which is attached. Mr. Joubran updated the Board generally on construction projects within the District and reviewed with the Board the items more particularly described hereafter.

DISCUSS MAINTENANCE PLAN, APPROVE PAY ESTIMATES, CHANGE ORDERS AND TIME EXTENSIONS FOR REHABILITATION OF SANITARY SEWER TRUNK LINES

Mr. Joubran updated the Board on the rehabilitation of the sanitary sewer trunk lines. He stated that the project is substantially complete and that outstanding issues are being reviewed prior to finalizing the contract. He presented and recommended approval of Pay Estimate No. 5 in the amount of \$105,033.53 from Insituform Technologies, Inc., a copy of which is attached. He stated that the District's share of the pay estimate is \$58,362.52. He stated that Louetta North PUD's share is \$27,627.99 and Cy-Champ PUD's share is \$19,043.02. He stated that a retainage in the amount of 5% will be held. Ms. Shelnutt noted that once the Certificates of Deposits mature, she will transfer funds into the District's account to pay for the outstanding amount due for this project.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR REHABILITATION OF THE SANITARY SEWER LINES IN CHAMPION FOREST SECTIONS 1 AND 2

Mr. Joubran reported that Pepe Engineering, Ltd. is proceeding with the preparation of the plans and specifications for the rehabilitation of the sanitary sewer lines in Champion Forest Sections One and Two. He stated that the specifications and contract documents would be forwarded to ABHR for review prior to finalizing the plans and specifications. He stated that the plans are expected to be ready for approval at the June meeting of the Board. No Board action was necessary.

RECEIVE UPDATE ON DESIGN OF WATER, SEWER AND DRAINAGE FACILITIES FOR RAVENEAUX PLACE HIGHRISE CONDOS, AUTHORIZE EXECUTION OF STORM SEWER EASEMENT

Mr. Joubran updated the Board on the design of utilities to serve the Chateaux Raveneaux Condominiums. He reported that the cost of the project was included in Bond Application No. 9. He stated that water line and sanitary sewer easements will be needed for the facilities. Mr. Joubran reported that Pepe Engineering, Ltd. is in the process of revising the topographic survey to correspond with the latest datum published by the Federal Emergency Management Agency. He reported that the field survey was complete and the data is being processed in the office. He stated that once ready, the design of the project will then resume using the latest survey data. He answered questions from Board members regarding revisions made by the engineers. No Board action was necessary.

ENGINEER'S REPORT

Mr. Joubran reported that the preliminary findings of an analysis of the cost per gallon for sewage treatment capacity falls in line with Kleinwood MUD's purchase offer. Director Lawrence stated that the Raveneaux Country Club is possibly in bankruptcy proceedings. Mr. Robinson stated that the assumptions used for calculating the District's excess capacity at ultimate capacity were based on the best assumptions on land use within the District which included that the Raveneaux property would continue to be used as a golf course. He stated that the District has a legal obligation to provide water and sewer services within its boundaries. Director Lynch noted that 175,000 gallons per day out of a projected surplus of 300,000 gallons per day is being sold to Kleinwood MUD.

Mr. Joubran reported on coordination efforts with Director Petrick on the feasibility of using the Cypress Creek Corridor for parks and/or trails.

REVIEW PROPOSALS AND AWARD CONTRACT FOR INSTALLATION OF FENCE AT THE ELEVATED STORAGE TANK SITE AND AUTHORIZE APPROPRIATE ACTION

Mr. Joubran next reviewed four bids for installation of wrought iron fencing at the elevated storage tank site. He stated that the low bidder was Lawn Escape, Inc. He stated that the bid doesn't include an item that appeared to have been overlooked by Lawn Escape, Inc. but that the item was included in a previous estimate from Lawn Escape, Inc. Following review and discussion, Director Lawrence moved that the Board award the contract for installation of the wrought iron fencing at the elevated storage tank site to Lawn Escape, Inc. in the amount of \$17,473.60, subject to review of the contract by ABHR. Director Lynch seconded the motion, which was approved by unanimous vote. A copy of the bid tabulation is attached.

Discussion ensued regarding installation of a swinging gate versus a sliding gate. Mr. Joubran stated that the specifications are for installation of a swinging gate. Mr. Sonnier stated that the specifications for the bid do not take into account his previous estimate which extended the wrought iron fence at a depth instead of on a straight line to tie-in with the chain link fence for aesthetic considerations. He stated that he will present a change order containing estimates for installation of a sliding gate and extra depth. He stated that the total cost of the project should be less than \$25,000 with the change order. Following discussion, Director Lawrence withdrew his previous motion. Director Lynch moved that the Board award the contract for installation of the wrought iron fencing at the elevated storage tank site to Lawn Escape, Inc. to include the unit price for fencing with additional depth and replacement of the swinging gate with a sliding gate and keypad in an amount not to exceed \$25,000, subject to review of the contract by ABHR, review of the specifications by Pepe Engineering, Ltd. and approval by Director Balog. Director Lawrence seconded the motion, which was approved by unanimous vote.

ENGINEER'S REPORT

Mr. Joubran reported that Pepe Engineering, Ltd. was contacted regarding a proposed strip center to be constructed at Louetta and Champion Drive. He stated that the plans will be reviewed when received.

Following review and discussion, Director Petrick moved that the Board approve the engineer's report as presented including payment of Pay Estimate No. 5. Director Jackson seconded the motion, which was approved by unanimous vote.

DEVELOPER'S REPORT AND AUTHORIZE APPROPRIATE ACTION

No developer's report was presented.

ADOPT RESOLUTION REQUESTING RELEASE OF FUNDS FROM ESCROW, USE OF SURPLUS FUNDS AND CHANGE IN PROJECT SCOPE FOR REHABILITATION OF THE SANITARY SEWER LINES IN CHAMPION FOREST SECTIONS 1 AND 2

The Board concurred to table this item pending completion of the plans and specifications for the rehabilitation of the sanitary sewer lines in Champion Forest Sections 1 and 2.

DISCUSS OPERATIONS OF KLEINWOOD CENTRAL SEWAGE TREATMENT PLANT JOINT POWERS BOARD MEETING, DISCUSS SALE OF SURPLUS CAPACITY AND AUTHORIZE ANY NECESSARY ACTION

Mr. Robinson reported that he made a couple of minor revisions to a Letter of Intent received from Kleinwood MUD for the purchase of 175,000 gallons per day of excess sewer capacity from the District. He stated that the Letter of Intent provides that

\$275,625.00, 50% of the purchase price, will be deposited in an interest bearing escrow account pending the amendment of the Agreement Providing for the Ownership, Operation, Maintenance and Expansion of the Kleinwood Regional Wastewater Treatment Facilities (the "Agreement"). He stated that the amendment will adjust the cost sharing and voting ratios of Kleinwood MUD and the District. He stated that \$275,625.00, the second half of the purchase price for a total of \$551,250.00, will be paid to the District at closing. Following review and discussion, Director Lynch moved that the Board authorize the execution of the Letter of Intent with Kleinwood MUD and any necessary agreements, and authorize execution of the amendment to the Agreement as discussed. Director Lawrence seconded the motion, which was approved by unanimous vote.

Ms. Shelnutt next reviewed a proposed amended budget. Following review and discussion, Director Lynch moved that the Board approve the amended budget subject to final review by the District's bookkeeper. Director Lawrence seconded the motion, which was approved by unanimous vote. Ms. Shelnutt stated that she will distribute a copy of the revised budget to the Directors by e-mail.

OPERATOR'S REPORT

Mr. Haas reviewed the written maintenance and operations report, builder back charges, and invoices with the Board. A copy of the operator's report is attached. He reported that the one-month accountability for last month was 92.4% and the four-month accountability average was 92.6%. He reviewed charts of installed and paid tap fees and a grease trap inspection report. He answered questions from Board members regarding tap fees. He next reported that 31 termination letters were mailed. He recommended that the Board adopt a 30-day procedure for termination procedures. He answered questions from Board members regarding termination procedures and specific delinquent accounts.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Mr. Haas reported that the customers on the attached termination list were delinquent by more than 50 days and had been given written notice 10 days prior to this meeting of the opportunity to appear before the Board of Directors to explain, contest or correct the utility service bill and to show reason why the utility service should not be terminated because of nonpayment. Following discussion, Director Lawrence moved that since the residents were neither present at the meeting nor had presented any written statement on the matter, the utility service to those residents be terminated in accordance with the District's Rate Order. Director Petrick seconded the motion, which was approved by unanimous vote.

APPROVE AND AUTHORIZE DISTRIBUTION OF CONSUMER CONFIDENCE REPORT

Mr. Haas reviewed with the Board the District's Consumer Confidence Report and answered questions from Board members. He stated that all samples are below action levels and that there are no violations. A copy of the report is attached to the operator's report.

OPERATOR'S REPORT

Mr. Haas next reviewed with the Board a Valve Operational Report and Fire Hydrant Inspection Report. He stated that there are ten locations where reflectors are missing and need to be replaced. He answered questions from Board members regarding the repairs included on the reports. Discussion ensued regarding the repairs performed previously on and painting options for the fire hydrants. Following review and discussion, the Board authorized Director Jackson to perform a random inspection of the fire hydrants and recommended repairs for consideration at the next regularly scheduled meeting.

Following review and discussion, Director Lawrence moved that the Board approve the operator's report as presented, including authorizing the distribution of the Consumer Confidence Report. Director Petrick seconded the motion, which was approved by unanimous vote.

DISCUSS REVIEW OF OPERATOR'S CONTRACT

Director Lynch requested that the Board consider requesting proposals or statements of qualifications for District operating services to include a scope and function of services without associated pricing. He stated that it is the Board's fiduciary responsibility to the community to perform a due diligence review of each of the consultants' contracts. He stated that the request is no reflection on the performance of the current operator. Board members provided comments on Director Lynch's request. Following discussion, Director Lawrence moved that the Board direct ABHR to draft a memorandum outlining the steps that might be involved to identify potential consultants for operating services, how to contact the potential consultants and what steps would be involved for requesting such proposals or statements of qualifications for distribution to the Directors prior to the next meeting. Director Lynch seconded the motion, which was approved by unanimous vote.

ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN; PROVIDING FOR IMPLEMENTATION AND ENFORCEMENT THEREOF; PROVIDING PENALTIES FOR VIOLATIONS; AND CONTAINING OTHER PROVISIONS RELATED TO THE SUBJECT

Mr. Robinson reported that the TCEQ has changed their rules regarding Drought Contingency Plans to require that the plans include specific, quantified targets for water use reductions to be achieved during periods of water shortage and drought. He stated that the targets established are not enforceable. He stated that the operator has reviewed the District's Drought Contingency Plan and provided trigger conditions and the specific, quantified targets. Ms. Cherne stated that the revised plan was distributed to the Directors by e-mail. Mr. Robinson stated that the Board must adopt a revised plan prior to May 1, 2005. Following review and discussion, Director Petrick moved that the Board adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject. Director Lynch seconded the motion, which was approved by unanimous vote, except for Director Lawrence who was not present for the vote. A copy of the order is attached.

DISCUSS MATTERS RELATED TO NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Balog reported on the activities of the North Harris County Regional Water Authority (the "NHCRWA"). He updated the Board on construction and easement acquisition activities and stated that NHCRWA is scheduled to sell bonds next month. No Board action was necessary.

DISCUSS GARBAGE COLLECTION SERVICES AND AUTHORIZE APPROPRIATE ACTION

Director Lynch next reported that he spoke with Matt May of WCA regarding options for providing backdoor garbage collection services. He stated that the proposal received from WCA provides backdoor trash collection service to a limited number of residents who would like to pay extra for this level of service. He stated that those residents would be directly billed an additional cost of \$7.95 per month by WCA, over and above the \$10.05 per month currently included in the District's Rate Order, which equates to \$95.40 per year. He stated that WCA can provide this service to 250 residents. He stated that stenciling at the base of the driveways of some sort of marker would identify these residents to the driver and crew of the garbage collection trucks..

Board members provided comments on the backdoor garbage collection proposal. Ms. Cherne reviewed the results of the garbage collection services survey: 712 for curbside collection with no comments, 27 for curbside collection with comments, 266 for garage door collection with no comments, 33 for garage door collection with

comments and two all comments and no decision. Following discussion, the Board requested Matt May of WCA to provide a detailed written proposal describing how to implement the proposed limited backdoor garbage collection services and whether such services could be provided to 500 residents for review at the next regularly scheduled meeting.

ADOPT AMENDED RATE ORDER AND AUTHORIZE APPROPRIATE ACTION

The Board next considered adopting an amended Rate Order to reduce garbage collection services fees and to pass on the fee increase assessed by the NHCRWA for groundwater. Mr. Robinson stated that the Rate Order can be amended to include an item for electricity costs for street lights as an optional service provided by the District. Director Balog stated that the residents should be asked whether they want to pay for such optional services. Discussion ensued regarding options for participation with the Champion Forest Fund for civic improvement and beautification of public areas within the District. Following discussion, the Board authorized Director Petrick to determine the electricity costs for street lighting for all of the homeowners associations located within the District.

Following additional review and discussion, Director Lawrence moved that the Board adopt an Amended Rate Order reducing the flat monthly sewer charge from \$22.50 to \$19.05 to reduce the fees for garbage collection services and increasing the fees from \$0.38 to \$0.64 for each 1,000 gallons of groundwater delivered for the increased fee assessed by NHCRWA. Director Lynch seconded the motion, which was approved by unanimous vote. A copy of the Amended Rate Order is attached.

DISCUSS OPEN MEETINGS ACT AND AUTHORIZE APPROPRIATE ACTION

Mr. Robinson reviewed with the Board the requirements of the Open Records Act and the Open Meetings Act and the consequences for violations of the Acts. He stated that all of the Board's decisions must be made in compliance with the Acts. No Board action was necessary.

RECEIVE REPORT FROM DIRECTOR PETRICK ON PARK MATTERS AND AUTHORIZE APPROPRIATE ACTION

Director Petrick next reported on his activities on behalf of the District for participation in the proposed development of a public park within the 462 acres of property being sold by Hewlett-Packard ("HP"). He distributed documents related to his activities, copies of which are attached. He reviewed HP's response to correspondence and their statement that they want to be a good neighbor. He stated that the *Houston Chronicle* published an article which presented a well-balanced need for the HP land to consist of a park with public access and connectivity for a trail system, as well as a preservation area for trees and wildlife. He stated that the article included a photograph of Robertson and Smith from Cypress Creek Greenway and Smyth and

Meyers from HP Land Project and 1960 Tree Alliance. He reported that he will attend a meeting sponsored by Kickerillo Companies to be held on Thursday, April 7, 2005.

Director Petrick next reported on his activities on behalf of the District for development of park trails along Cypress Creek east to Meyer Park and along Cypress Creek west toward the HP property. He stated that he walked the banks of Cypress Creek with Dennis Johnston, County 4 Park Commissioner, Kenny, Meyer Park Supervisor and Nabil Jourban, of Pepe Engineering. He stated that the Harris County Flood Control District owns an 85-foot easement from the center of Cypress Creek. He stated that the highlights of the walk included discussions of possible locations of the trail. He stated that development of a trail is possible along the creek until Dry Gully. He stated that development of a trail is possible up Dry Gully although underpasses at Cypresswood and Champion Forest are problems. He stated that a trail around the Raveneaux Country Club would be difficult and that erosion on the creek's banks and the golf course make it unlikely at this time. He stated that the trail may lack a linear east/west connector while a second north/south trail could commence west of the gully between Chipstead and Chasemore. He reported that three retention ponds were discovered behind the medical buildings located on Cypresswood. He stated that he contacted the Harris County Flood Control District to inquire about wildflower seeding prospects for the Champion Forest Garden Club along the gullies and ownership of the retention ponds. He reviewed the response from the Harris County Flood Control District. He reported that he requested Pepe Engineering, Ltd. to search public files for ownership of land and reviewed the results. He stated that the next step is to contact the landowners.

Director Petrick updated the Board on the status of ABHR's coordination of requests for statements of qualifications from park planners. Mr. Robinson answered questions from Board members regarding obtaining easements for development of a park trail and discussed development of long term and short term project scopes. Following discussion, the Board authorized Director Petrick to review the proposals for park planners and choose three or four appropriate companies to make presentations to the Board.

Director Petrick reported on his activities related to maintenance of the District Administrative Building. He stated that he called Seaback Maintenance to cut out dead Mexican Heather and pull weeds.

Director Petrick reported that the next town hall organizational meeting is scheduled for April 21, 2005.

CONSIDER OPTIONS FOR PARTICIPATION WITH CHAMPION FOREST FUND IN PROJECTS FOR CIVIC IMPROVEMENT AND BEAUTIFICATION OF PUBLIC AREAS WITHIN THE DISTRICT AND AUTHORIZE APPROPRIATE ACTION

Director Petrick next reminded the Board that the agreement entered into last year in amount not to exceed \$22,216.00 was for performance of water conservation projects that included landscaping and irrigation of the four existing planted areas around the monuments by Lawn Escape, Inc. He stated that this was Phase I of the project. He reviewed a proposal from Lawn Escape, Inc. in the amount of \$22,709.12 for performance of water conservation projects that included landscaping and irrigation of the areas located around the four renovated guardhouses, Phase II of the project, a copy of which is attached. He stated that the two phases will be less than the \$50,000.00 originally estimated and placed in the District's budget for the project. Director Petrick stated that the Champion Forest Fund upgraded the guard shacks and recommended that the District enter into an agreement with the Champion Forest Fund to complete the project. Following discussion, Director Petrick moved that the Board authorize ABHR to prepare an agreement with Champion Forest Fund utilizing the form of agreement entered into for Phase I to include review of pay estimates by the District and the right to final approval of the project after inspection by the District, and authorize execution of the agreement by Director Balog. Director Jackson seconded the motion, which was approved by unanimous vote.

SUCH OTHER MATTERS

There being no other matters to come before the Board, the meeting was adjourned.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE FOR THE MINUTES OF THE APRIL 5, 2005 BOARD MEETING]

(SEAL)

Secretary, Board of Directors

ACTION ITEMS

- Ms. Cherne to update and distribute the insurance proposal comparison chart.
- Mr. Robinson to revise Utility Bill Audit Agreement with The Legacy Group.
- Ms. Payne to implement the District's web site pursuant to Plan C presented at the District's November 18, 2004, meeting.
- Certain delinquent tax accounts to be moved to the uncollectible roll.
- Mr. Sonnier to prepare change order containing estimates for installation of a sliding gate with key pad and extra depth.
- Director Jackson to perform a random inspection of the fire hydrants and recommend repairs for consideration.
- Aqua Services to distribute the Consumer Confidence Report.
- ABHR to draft a memorandum outlining the steps that might be involved to identify potential consultants for operating services, etc.
- Matt May to provide a detailed written proposal describing how to implement the proposed limited backdoor garbage collection services and whether such services could be provided to 500 residents.
- Director Petrick to determine the electricity cost for street lighting for all of the homeowners associations located within the District.
- Director Petrick to review the proposals for park planners and choose three or four appropriate companies to make presentations to the Board.
- ABHR to prepare agreement with Champion Forest Fund to complete the water conservation project.
- District's engineer is preparing plans and specifications for rehabilitation of the sanitary sewer lines in Champion Forest Sections One and Two.

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