

# DRAFT

## MINUTES HORSEPEN BAYOU MUNICIPAL UTILITY DISTRICT

July 8, 2010

The Board of Directors (the "Board") of Horsepen Bayou Municipal Utility District of Harris County, Texas (the "District"), met in regular session, open to the public, on the 8th day of July, 2010, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Glenn Peters	President
Ronnie J. Cutlip	Vice President
James Wilson	Secretary
Perry Galloway	Assistant Secretary
Dennis Montesinos	Assistant Vice President

and all of the above were present except Director Galloway, thus constituting a quorum.

Also present were Donna Bryant of Assessments of the Southwest, Inc.; Lindsay Kovar and Coleman Philley of Brown & Gay Engineers, Inc. ("B&G"); Beulah Kelly of Myrtle Cruz, Inc.; Bryan Chapline of Municipal District Services L.L.C. ("MDS"); Matthew May and Aimee Ordeneaux of Best Trash; Greer Pagan of Allen Boone Humphries Robinson LLP; and Linda Sotirake as Recording Secretary.

### MINUTES

The Board considered approving the minutes of the June 10, 2010, meeting. Following review and discussion, Director Montesinos moved to approve the minutes of the June 10, 2010, meeting as submitted. Director Wilson seconded the motion, which carried unanimously.

### RECEIVE PRESENTATION ON DEMAND RESPONSE PROGRAM

The Board did not receive a presentation on the demand response program.

### BOOKKEEPER'S REPORT AND PAYMENT OF BILLS

The Board reviewed the monthly bookkeeper's report and submitted the bills of the District for the Board's review. The Board then reviewed monthly and year-to-date budget comparisons for the District's operating, water plant, and sewage treatment plant accounts. Ms. Kelly presented a monthly investment report to the Board for approval and execution by the District's Investment Officer. After discussion of the various invoices, Director Wilson moved that the bills be approved for payment and the

# DRAFT

investment report be approved for execution by the District's Investment Officer. Director Montesinos seconded the motion, which carried unanimously. A copy of the bookkeeper's report, including a list of the bills approved for payment, the monthly investment report, and the budget comparisons, is attached.

## TAX REPORT

The Board reviewed the District's monthly tax report, which reflects that the District's 2009 taxes were 98.15% collected at the end of June. After discussion, Director Montesinos moved to approve the tax report and payment of the checks drawn on the District's tax account. Director Cutlip seconded the motion, which carried unanimously. A copy of the tax report, including a list of the checks approved for payment, is attached.

## DELINQUENT TAX REPORT AND HEARING REGARDING TERMINATION OF SERVICE TO DELINQUENT TAX ACCOUNTS

No action was taken on this matter.

## OPERATOR'S REPORT

Mr. Chapline presented a copy of the monthly operator's report and reviewed it with the Board. He pointed out that there were no wastewater treatment plant violations for the month of June. He reported that the accountability of water was 99.4% for the month of June. A copy of the operator's report is attached.

Mr. Chapline reported on routine maintenance and repair items in the District.

Mr. Chapline then requested that the Board authorize the write-off of five delinquent accounts in the aggregate amount of \$627.95. Following discussion, Director Montesinos moved to approve the operator's report and to authorize writing-off five accounts. Director Wilson seconded the motion, which carried unanimously.

## TERMINATION OF WATER SERVICE

Mr. Chapline next presented a list of delinquent utility service accounts. He advised the Board that all of the accounts on the list had been given written notification, in accordance with the District's Rate Order, of the opportunity to appear before the District's Board of Directors, either in person or in writing, to explain, contest, or correct their bills and to show why utility service should not be terminated for reason of nonpayment. Mr. Chapline noted that the accounts in question had neither contacted his office nor had appeared at the Board meeting concerning their bills. Following discussion, Director Montesinos moved to authorize termination of utility service to said accounts. The motion was seconded by Director Wilson and carried unanimously. A copy of the list of delinquent utility service accounts is attached.

## UPDATE ON INSTALLATION OF INFLOW PROTECTORS.

Mr. Chapline updated the Board on the installation of the inflow protectors.

## ENGINEER'S REPORT

Ms. Kovar distributed a written report from B&G, a copy of which is attached, and reviewed it with the Board.

Ms. Kovar then reported that B&G is compiling field data in order to update the District's GIS database.

Ms. Kovar updated the Board on the status of the New Quest Properties surplus funds application.

Ms. Kovar reported that B&G has prepared a 5-year Capital Improvement Projects Plan. She pointed out that the Capital Improvement Projects Plan includes information regarding available funds and potential projects.

Ms. Kovar reported that the District's Emergency Preparedness Plan is in the process of being reviewed by the Texas Commission on Environmental Quality. She stated that B&G submitted a request to the TCEQ for extension of the compliance date.

Ms. Kovar presented a compilation of wastewater flow data through June, 2010, a copy of which is attached.

## APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT IMPROVEMENTS

Ms. Kovar updated the Board on the status of the wastewater treatment plant improvements. She stated that she had no pay estimates from RP Constructors, Inc. for the Board's approval.

## APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WATER WELL NO. 1 REHABILITATION

Ms. Kovar updated the Board on the status of the water well no. 1 rehabilitation. She then recommended approval of Pay Estimate No. 4 in the amount of \$98,100.00 from Alsay, Inc. Following discussion, Director Wilson moved that the Board approve Pay Estimate No. 4 in the amount of \$98,100.00. Director Montesinos seconded the motion, which carried unanimously.

## GARBAGE COLLECTION CONTRACT

Mr. May presented a proposal to provide garbage collection for the District and reviewed it with the Board. Discussion ensued. The Board concurred to hold a special meeting on July 14, 2010, to discuss this matter further and take any necessary action.

## RECEIVE REPORT REGARDING THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Mr. Pagan stated that he had nothing new to report.

## DEVELOPER'S REPORT

The Board did not receive a report on development.

## ACCEPT CONVEYANCE OF DEEDS

The Board took no action on this matter.

## RECEIVE REPORT FROM PATROL SERVICES COMMITTEE

Director Peters updated the Board on patrol services in the District.

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

(SEAL)

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Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes  
Page

bookkeeper’s report, including list of bills approved for payment, monthly investment report, and budget comparisons.....2  
tax report, including list of checks approved for payment.....2  
operator’s report.....2  
list of delinquent utility service accounts.....2  
written report from B&G .....3  
compilation of wastewater flow data through June, 2010 .....3