

**AGENDA**  
**PORTER MUNICIPAL UTILITY DISTRICT**

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of Porter Municipal Utility District will meet in regular session, open to the public, at **7:00 p.m., on Tuesday, June 15, 2004** at the Porter Municipal Utility District Office, 23922 Loop 494, Porter, Texas, at which meeting the following items will be considered:

1. Invocation and Pledge of Allegiance;
2. Adjourn from meeting at 23922 Loop 494 to Sanitary Sewer Treatment Plant at 24816 Cunningham for walk through concerning Wedgewater Drying Beds and Treatment Plant expansion.
3. Open regular meeting.
4. Approval of Minutes of meeting(s) on May 26, 2004.
5. Communications and take any necessary action on items listed;
  - a. Letter dated May 4, 2004 from Community Chamber of Commerce.
  - b. Letter from Porter Water Supply Corporation concerning Notice of Drinking Water Gross Alpha Particle Activity violation.
6. Public Forum, including;
7. Financial Advisor Report, including;
  - a. Review and take any necessary action concerning feasibility study on Valley Ranch Subdivision.
8. C P A's Report, including;
  - a. Authorizing payment of District bills and issuance of checks.
  - b. Acceptance of bookkeeper's report.
  - c. Amend budget to reflect purchase of 2004 Ford F-150 truck.
9. Tax Assessor/Collector's report including;
  - a. Review and Approve Tax report.
10. Engineer's Report, including;
  - a. Review and discuss status of WWTP Site Fencing and take any action.
  - b. Review and discuss status of WWTP Digester Aeration Modifications and take any action.
  - c. Review status of TPDES Permit Application and Amendment.
  - d. Review and discuss GASB 34 mapping requirements.
  - e. Review status of CCN Update and Expansion and take any action:
    1. Discuss and act on request from Clinton Wong – Amvest
    2. Discuss and act on request by Signorelli – Valley Ranch
    3. Discuss and act on request by 1207 Grand Parkway
    4. Discuss and act on request by Landcraft Development
    5. Discuss and act on request by Terramark Communities
  - f. Review and discuss TxDOT plans for widening of FM 1314 and relocation and extension of District facilities and take any action.
  - g. Review and discuss TxDOT plans for improvements to US Hwy 59 and relocation of District facilities and take any action.

- h. Review and discuss System (lift station) "H" repairs and consider award of contract as appropriate.
- i. Discuss status of Hill and Smith Annexations and sewer service extension and take any action.
- j. Discuss status of Martin, et al annexation and take any action.
- k. Review and discuss status of New Caney ISD service agreement and construction of facilities and take any action.
- l. Review and discuss status of Sanitary Sewer Easement from Mr. & Mrs. Rhodes and take any action.
- m. Review status of Ambush Road Sewer Extension and take any action.
- n. Consider authorization to perform manhole and video evaluation of Sewer System (lift station) "D" along FM 1314.
- o. Other engineering items for discussion and action, as appropriate:
  1. Review inquires for sewer service outside current boundaries.
  2. Review status of sewer service request inside district boundaries as appropriate.
    - a. Hendricks Interest
  3. Review, discuss and take action concerning non-compliance conditions of customers as appropriate.
    - a. First Baptist Church
  4. Other engineering items as may require discussion or action.
11. Operator's Report, including;
  - a. Monthly report on operations of wastewater treatment plant and lift stations and take any necessary action.
  - b. Report on storage containers for sewer treatment plant building materials.
12. New business;
13. Old Business;
  - a. Review, discuss and take any necessary action concerning Wedgewater Drying Beds.
  - b. Consider and take action on meeting with Richard Stetzer of Newman Engineering Equipment on June 22, 2004 at 6:00 pm concerning Wedgewater Drying Bed.
14. Office Manager's Report, including;
  - a. Monthly benefit reports.
  - b. Report on Insurance claim with TML.
15. Attorney's Report;
16. Reports and proposals by Board of Directors;

**POSTED**  
10 day of June 04  
MARK TURNBULL  
Clerk, County Court  
Montgomery Co., Texas  
Per [Signature] Dep.

Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in closed session to discuss matters relating to pending or contemplated litigation, personnel matters, or real estate transactions.

**EXECUTED** this 10<sup>th</sup> day of June 2004.

**PORTER MUNICIPAL UTILITY DISTRICT**

DISTRICT SEAL

By: J. Ron Young (CS)  
J. RON YOUNG, ATTORNEY

**MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
June 15, 2004**

**THE STATE OF TEXAS**

**COUNTY OF MONTGOMERY**

**PORTER MUNICIPAL UTILITY DISTRICT**

The Board of Directors (the "Board") of Porter Municipal Utility District (the "District") met in regular session, open to the public, at its regular meeting place inside the boundaries of the District, at 23922 Loop 494, Porter, Texas, on Tuesday, June 15, 2004 at 7:00 p.m. whereupon, the roll was called of the members of the Board, to-wit:

**Bill Sparks, President  
Les L. Adams, Vice President  
Ursel D. Mikel, Secretary  
Jacques Verron, Treasurer/Investment officer  
Wayne Curry, Assistant Secretary/Assistant Treasurer**

All members of the Board were present, thus constituting a quorum.

Also attending the meeting were, Jeannie Hargis with the office of Paula J. Hargis, CPA, the District's Bookkeeper; Greg Parker, the District's Engineer; Bill Blitch, with the office of Samco Capitol Market, the District's Financial Advisor; Spool Willoughby with the office of Coastal Securities, the District's Financial Advisor; Jeffrey Kay, Operator for the District; Cathy Bate, the District's Office Manager; and Karen Ferguson, employee of the District. A list of other people attending the meeting is attached hereto as Exhibit "A"

WHEREUPON, the President called the meeting to order at 7:00 p.m. The posted meeting notices are attached hereto collectively as Exhibit "B".

**PLEDGE OF ALLEGIANCE**

The meeting was opened with an invocation by Director Sparks and the reciting of the Pledge of Allegiance.

Mr. Sparks stated, due to the heavy rains we will not be adjourning to the Sanitary Sewer Treatment Plant. We are going to schedule a Special Meeting for June 22, 2004 to discuss the Wedgewater Drying Beds at which time we will visit the Plant.

### **APPROVAL OF MINUTES**

The first item of business to come before the Board was the approval of the minutes from the meeting held on May 26, 2004. Director Curry moved approval of the minutes from the meeting of May 26, 2004, as presented. Director Adams seconded the motion, which was approved by unanimous vote. Mr. Sparks informed the Board that Gwen Briggs, Recording Secretary for the District has been ill and the minutes for May 18, 2004 and June 2, 2004 will be presented at the meeting on July 20, 2004.

### **COMMUNICATIONS**

Communications reviewed by the Board include the items listed on tonight's agenda under item 5.a and b. contained in the meeting packet appearing on pages 9 and 10. Director Curry moved acceptance of the Communications listed under item 5.a. and b. of the agenda. The motion was seconded by Director Verron and approved by unanimous vote.

### **PUBLIC FORUM**

The Board noted that no one from the public was present at the meeting who wished to address the Board.

### **FINANCIAL ADVISOR**

Bill Blitch reviewed the preliminary Bond Capacity based on a 10-year history growth. The Districts 2004 tax rate study appears to be the same as prior year of \$0.515 per \$100 of assessed value. However, this is based on a preliminary summary from J.R. Moore, Tax Assessor Collector for the District.

Related to Valley Ranch, Mr. Blitch presented a preliminary study showing that there would be a MUD Tax for Valley Ranch in the amount of \$0.86 and Porter MUD Tax would be less than the current rate of \$0.515. Mr. Blitch stated that the Porter MUD borrowing cost would be cheaper since they have a triple "A" rating. It was the consensus of the Board to have a Special Meeting with the representatives for Valley Ranch and the District's Attorney, Financial Advisor and Engineer to discuss the feasibility of this venture.

Motion was made by Director Verron, seconded by Director Mikel and approved by unanimous vote to accept the Financial Advisor's report as given.

### **CPA'S REPORT**

The Board next received the CPA's report. Ms. Hargis reviewed the report, a copy of which is attached hereto as Exhibit "C". The District's Depository Pledge Reports with Bank of America and Wells Fargo National Bank for the month of May 2004 are included in the CPA's report attached hereto. Ms. Hargis also reviewed the additional checks written after her report was completed.

Following review of the CPA's report and further discussion concerning the District funds, a motion was made by Director Curry, seconded by Director Adams and approved by unanimous vote to approve payment of the checks listed in the CPA's report, including payment of the additional checks presented at the meeting which do not appear on the written report.

Motion was made by Director Verron, seconded by Director Adams and approved by unanimous vote to accept the CPA's report as given.

Motion was made by Director Adams, seconded by Director Verron and approved by unanimous vote to authorize Ms. Hargis to amend the District's Budget to reflect the purchase of 2004 Ford F-150 truck.

### **TAX ASSESSOR/COLLECTOR'S REPORT**

The Board next reviewed the Montgomery County Tax Assessor/Collector's report dated June 4, 2004 related to tax collections within the District during the month of May 2004. The report shows that the tax office has collected 93.85% of the District's 2003 taxes through May 31, 2004.

After further discussion of Tax related matters, a motion was made by Director Curry, seconded by Director Verron and approved by unanimous vote to approve the Tax Assessor/Collector's report. A copy of the Tax Assessor/Collector's report is attached hereto as Exhibit "D" and shall be considered a part of these minutes.

### **ENGINEER'S REPORT**

Mr. Parker presented the report attached hereto as Exhibit "E" and reviewed the following items with the Board:

1. Related to the wastewater treatment plant expansion, Mr. Parker reported that the final punch list on the Site Fencing has been completed, however, there has not been a final inspection of the project. Once the final inspection is completed we will request release of pay estimate approval from the TCEQ.

2. Mr. Parker stated that construction is substantially complete and in operation, the punch list is complete but awaiting final inspection.
3. Related to the District's TPDES permit renewal and modification application, Mr. Parker reported that we should receive approval within 30 – 60 days. After approval is received, we will advertise for bids.
4. Mr. Parker reported on the GASB 34 cost and mapping, that he is preparing documentation for improvements since the original bond issue for inclusion in the GASB 34 depreciation schedules. We will need to update the District's Maps to show improvements made.
5. Mr. Parker next reported concerning the CCN updates and expansion that he has sent mapping to the TCEQ and parties regarding the proposed limits of the CCN as requested by the TCEQ.
6. Amvest Corporation, we are awaiting response to committee meeting held in early January. We have requested written confirmation from the City of Houston of commitment to service at hearing in Austin.
7. Valley Ranch, Mr. Parker stated he has received financial data and Mr. Blitch is reviewing their analysis and performing his own.
8. 1207 Grand Parkway, their party status was granted at the hearing. We may want to consider agreement concerning service.
9. Landcraft Development, consider agreement concerning service.
10. Terramark Communities, Director's Sparks and Verron met with representatives concerning development of property east of Loop 494 and south of Porter MUD and will be reviewing costs and provide data for analysis.
11. Mr. Parker next reported on TxDOT FM 1314 project stating he has received supplemental comments from TxDOT. We have also received preliminary comments from the City of Houston and adjusted accordingly, processed plans for next "round" of reviews. Mr. Parker is in the process of scheduling meeting with Montgomery County Engineer regarding approval letter for plans. Once the final plans are approved, we will be ready for bids, however, this does not include the Lift Station.
12. Relating to TxDOT US Highway 59 Project, we have been informed this is on "Hold" due to other priorities. Mr. Parker is finalizing follow up correspondence to TxDOT regarding facility locations and adjustments. According to TxDOT, a portion will be let in 2005.
13. Mr. Parker presented a bid tabulation, consisting of two contractors bids, on System "H" (lift station) Adams Street. Since these bids are over \$25,000.00, this project must be bid according to the TCEQ rules. Motion was made by Director Adams, seconded by Director Curry and unanimously approved to advertise for bids.
14. Mr. Parker next stated the Hill and Smith Annexation are proceeding upon receipt of requested data.

15. Mr. Parker reported we are in receipt of the \$2,000.00 from Mr. Martin to complete the annexation. We will proceed with documentation to complete the annexation and forward ownership data and documents to Ron Young.
16. We are awaiting review of the Service Agreement by the New Caney ISD. Mr. Parker reported he is preparing mapping and waiting on Boundary information for annexation of Briar Tree properties owned by New Caney ISD.
17. Mr. Parker informed the Board all parties have executed the easement document and that Ron Young has filed for record all documentation. Mr. Parker recommends release of the \$4,000.00 check to Mr. & Ms. Rhodes. Motion was made by Director Curry, seconded by Director Adams and approved by unanimous vote to release check to Mr. & Ms. Rhodes in the amount of \$4,000.00 for the easement.
18. Mr. Parker next reported on Ambush Road Sanitary Sewer Extension, according to Jeffrey Kay, Mr. Martin's construction supervisor they were scheduled to re-enter on the site to complete construction. However, due to the heavy rains, they have been unable to do so. They have crossed the pipeline as approved by the pipeline company field personnel.
19. Mr. Parker requested the Board authorize FM 1314 System "D" sewer system evaluation due to pending construction modifications and relocations, it is important that we identify and repair any deficiencies with the sanitary sewer lines along and connecting to the sewer lines along FM 1314 to Partners Way that will stay in place. Motion was made by Director Curry, seconded by Director Mikel and approved by unanimous vote to authorize Mr. Parker to proceed with the system evaluation of FM 1314, System "D".
20. Mr. Parker stated that we have had several requests from out of District customers in the Freeway Oaks Subdivision (Fatheree) and Golden Trails.
21. Hendricks Interests, Mr. Parker informed the Board that he has reviewed requirements for service and alternatives and forwarding copies to Mr. Hendricks.
22. Friendship United Methodist Church, Mr. Parker recommends authorizing the request of sanitary sewer capacity of 1,000 gallons per day. Motion was made by Director Mikel, seconded by Director Curry and approved by unanimous vote to authorize 1,000 gallon per day capacity to Friendship United Methodist Church.
23. Auto Zone, Mr. Parker informed the Board that Auto Zone is requesting sanitary sewer capacity of 100 gallons per day. Mr. Parker stated they would be required to have a grease trap and sample well. Motion was made by Director Curry, seconded by Director Mikel and approved by unanimous vote to authorize Auto Zone sanitary sewer capacity of 100

gallons per day and inform them they must install a grease trap and sample well.

24. First Baptist Church, Mr. Parker informed the Board that he has not mailed the letter to First Baptist Church concerning the installation of a grease trap, this will be mailed this week.

After further discussion concerning engineering matters, a motion was made Director Curry, seconded by Director Adams and approved by unanimous vote to accept the Engineer's report as presented by Mr. Parker.

### **OPERATOR'S REPORT**

The Board next received the Operator's report, a copy of which is attached hereto as Exhibit "F". Mr. Kay reviewed the list of work orders completed in May 2004.

Mr. Kay next reviewed the run-times of the Lift Stations in May 2004 compared to the run times in April 2004.

Mr. Kay next reported that the wastewater treatment plant operated within the parameters of its discharge permit during the month on May. Mr. Kay reported that we were at 72% of Permit due to rainfall of 6.2 total inches during this reporting period.

Mr. Kay reported that several people had been interviewed for the position of laborer, however, no decision has been made at this time and we are going to run an ad in the local paper.

Mr. Kay next reported on storage containers for the plant when the building is removed. The cost for a container is \$100.00 for 28 days with a move-on of \$85.00; this is for an 8' x 40' container. After further discussion it was the consensus of the Board to check prices of purchasing a container and bring to the July meeting.

After further discussion concerning operations within the District, a motion was made by Director Curry, seconded by Director Mikel and approved by unanimous vote to approve the Operator's report as presented by Mr. Kay.

### **OLD BUSINESS**

Director Sparks called a Special Meeting on June 22, 2004 at 6:00 p.m. to meet with Richard Stetizer of Newman Engineering Equipment concerning the Wedgewater Drying Bed.



**OFFICE MANAGER'S REPORT**

Ms. Bate reviewed with the Board the Monthly Benefit Reports for the District's personnel beginning on page 70 through 73 of the meeting packet.

Ms. Bate next review with the Board page 74 and 75 of the meeting packet concerning proof of loss and check from TML in the amount of \$9,066 00

Ms. Bate reviewed pages 76 and 77 concerning receipt of \$2,000.00 from Mark Martin for completion of annexation on FM 1314.


Upon a motion made by Director Mikel, seconded by Director Adams and approved by unanimous vote, the Office Manager's report was approved. A copy of the Office Manager's report is attached hereto as Exhibit "G".

After further discussion concerning Valley Ranch, a motion was made by Director Curry, seconded by Director Adams and approved by unanimous vote to set a meeting with the representatives for Valley Ranch and Porter MUD Attorney, Engineer and Financial Advisor. Director Sparks authorized Cathy Bate to coordinate time and date with all parties.

There being no further business to come before the Board, upon a motion made by Director Curry, seconded by Director Mikel and unanimously approved, the meeting was adjourned at 8:40 p.m.

PASSED, ADOPTED AND APPROVED this 20th day of July 2004.

(DISTRICT SEAL)

  
Secretary, Board of Directors

**DO NOT DETACH**

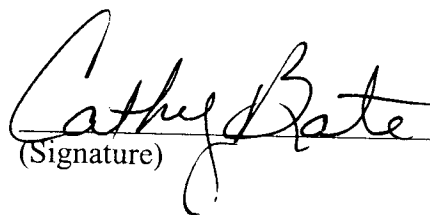
**CERTIFICATE OF POSTING OF NOTICE OF MEETING**

**THE STATE OF TEXAS**

**COUNTY OF MONTGOMERY**

**PORTER MUNICIPAL UTILITY DISTRICT**

I, Cathy Bate, the undersigned, hereby state that I posted a copy of the attached Notice of Meeting of the Board of Directors of Porter Municipal Utility District at a location convenient to the public, within the boundaries of the District, at 23922 Loop 494, Porter, Texas, on the 28<sup>th</sup> day of May 2004, at 11:00 a.m., which date was not less than 72 hours prior to the scheduled time of the meeting on Wednesday, June 2, 2004 at 6:00 p.m.

  
(Signature)

# AGENDA

## PORTER MUNICIPAL UTILITY DISTRICT

### NOTICE OF SPECIAL MEETING

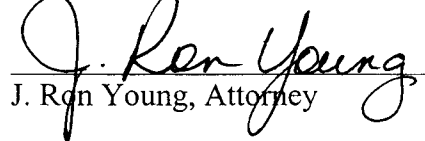

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of Porter Municipal Utility District will meet for a Special Meeting open to the public, at **6:00 p.m.**, on **Wednesday, June 2, 2004** at the Porter Municipal Utility District Office, 23922 Loop 494, Texas. The items of business to be considered and transacted during said meeting are as follows:

1. Invocation and Pledge of Allegiance.
2. Consider and take action on purchasing 2004 Ford F-150 truck.
3. Discuss and take any necessary action concerning installing Wedge-Water Drying Bed.

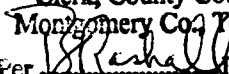
Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in closed session to discuss matters relating to pending or contemplated litigation, personnel matters, or real estate transactions.

EXECUTED this 28<sup>th</sup> day of May 2004.

PORTER MUNICIPAL UTILITY DISTRICT

  
J. Ron Young, Attorney 

DISTRICT SEAL

**POSTED**  
28 day of May 2004  
**MARK TURNBULL**  
Clerk, County Court  
Montgomery Co., Texas  
Per  Deputy

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
JUNE 2, 2004

THE STATE OF TEXAS §  
COUNTY OF MONTGOMERY §  
PORTER MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Porter Municipal Utility District (the "District") met in special session, open to the public, at its regular meeting place inside the boundaries of the District, at 23922 Loop 494, Porter, Texas, on Wednesday, June 2, 2004 at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Bill Sparks	-	President
Les L. Adams	-	Vice President
Ursel D. Mikel	-	Secretary
Jacques Verron	-	Treasurer/Investment Officer
Wayne Curry	-	Assistant Secretary/Assistant Treasurer

All members of the Board were present, thus constituting a quorum.

Also attending the meeting were Jeffrey Kay, Operator for the District; Cathy Bate, the District's Office Manager; and Gwen Briggs, Recording Secretary for the District.

WHEREUPON, the President called the meeting to order at 6:00 p.m. The posted meeting notices are attached hereto collectively as Exhibit "A".

PLEDGE OF ALLEGIANCE

The meeting was opened with an invocation by Director Sparks and the reciting of the Pledge of Allegiance.

### PURCHASE VEHICLE

Upon motion by Director Verron, seconded by Director Mikel, the Board by unanimous vote approved the purchase of a Ford-150 truck at a cost of \$18,133 to be used for District purposes. Ms. Bate stated that she will contact TML in order to add the new vehicle to the District's insurance policy.

### INSTALLATION OF WEDGE-WATER DRYING BED

Discussion then followed on the most cost effective way to put in a wedge-water drying bed which total costs are estimated at \$250,000. The Board noted that the District's 2004 budget has \$10,000 for drying bed repairs and maintenance and \$44,000 for capital improvements to a wedge-water bed. It was the consensus of the Board to proceed with putting in a portion of the wedge-water drying bed during the 2004 fiscal year.

There being no further business to come before the Board, upon motion duly made, seconded, and approved by unanimous vote, the meeting was adjourned.

PASSED, ADOPTED AND APPROVED this 20th day of July, 2004.

(DISTRICT SEAL)

  
Secretary, Board of Directors

**DO NOT DETACH**

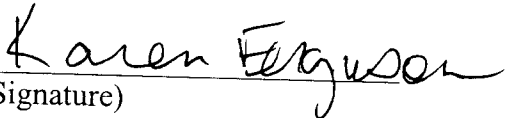
**CERTIFICATE OF POSTING OF NOTICE OF MEETING**

**THE STATE OF TEXAS**

**COUNTY OF MONTGOMERY**

**PORTER MUNICIPAL UTILITY DISTRICT**

I, Karen Ferguson, the undersigned, hereby state that I posted a copy of the attached Notice of Meeting of the Board of Directors of Porter Municipal Utility District at a location convenient to the public, within the boundaries of the District, at 23922 Loop 494, Porter, Texas, on the 21<sup>st</sup> day May 2004, at 3:00 p.m., which date was not less than 72 hours prior to the scheduled time of the meeting on Wednesday, May 26, 2004 at 6:00 p.m.

  
(Signature)

## AGENDA

### PORTER MUNICIPAL UTILITY DISTRICT

#### NOTICE OF SPECIAL MEETING

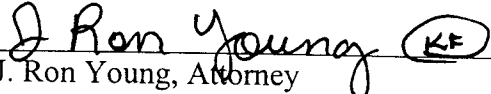
Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of Porter Municipal Utility District will meet for a Special Meeting open to the public, at **6:00 p.m.**, on **Wednesday, May 26, 2004** at the Porter Municipal Utility District Office, 23922 Loop 494, Texas. The items of business to be considered and transacted during said meeting are as follows:

1. Invocation and Pledge of Allegiance.
2. Canvass election returns.
3. Issue Certificates of Election.
4. Execute Statements of Elected/ Appointed Officer and Oaths of Office.
5. Consider reconstituting officers of the Board of Directors.
6. Authorize the Attorney to prepare and file with the Texas Natural Resource Conservation Commission and amended District registration form.
7. Consider and authorize Attorney and Financial Advisor to prepare documents for sell of District Bonds.
8. Review and discuss System (Lift Station) "H" repairs and consider award of contract as appropriate.


Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in closed session to discuss matters relating to pending or contemplated litigation, personnel matters, or real estate transactions.

EXECUTED this 21<sup>st</sup> day of May 2004

PORTER MUNICIPAL UTILITY DISTRICT

  
J. Ron Young, Attorney

DISTRICT SEAL

**POSTED**  
21 day of May 04  
**MARK TURNBULL**  
Clerk, County Court  
Montgomery Co., Texas  
Per  Deputy

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
MAY 26, 2004

THE STATE OF TEXAS §  
COUNTY OF MONTGOMERY §  
PORTER MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Porter Municipal Utility District (the "District") met in special session, open to the public, at its regular meeting place inside the boundaries of the District, at 23922 Loop 494, Porter, Texas, on Wednesday, May 26, 2004 at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Bill Sparks	-	President
Les L. Adams	-	Vice President
Ursel D. Mikel	-	Secretary
Jacques Verron	-	Treasurer/Investment Officer
Wayne Curry	-	Assistant Secretary/Assistant Treasurer

All members of the Board were present, except Director Sparks, thus constituting a quorum.

Also attending the meeting were Jeffrey Kay, Operator for the District; Cathy Bate, the District's Office Manager; Ruth Mays, election judge for the May 15, 2004 Directors Election; and Gwen Briggs, Recording Secretary for the District.

WHEREUPON, the Vice President called the meeting to order at 6:00 p.m. The posted meeting notices are attached hereto collectively as Exhibit "A".

PLEDGE OF ALLEGIANCE

The meeting was opened with a silent invocation and the reciting of the Pledge of Allegiance.



## RESULTS OF ELECTION

The Board recognized Ms. Mays who read the results of the Directors Election held for and within the District on May 15, 2004, as follows:

Wayne Curry - 188 votes

Ursel Mikel - 148 votes

Les Adams - 162 votes

Jim Hammock - 92 votes

It was noted that three positions on the Board of Directors of the District were open and that Wayne Curry, Ursel Mikel and Les Adams received the highest number of votes, thus resulting in the re-election of the incumbents, each to a term of office of four years.

Upon motion by Director Verron, seconded by Director Curry, the Board by unanimous vote accepted the returns of the May 15, 2004 Directors Election as reported by Ms. Mays, the Election Judge for such election.

## ORDER CANVASSING RETURNS OF ELECTION

Upon motion by Director Verron, seconded by Director Curry, the Board by unanimous vote approved the Order Canvassing Returns and Declaring Results of the Directors Election held May 15, 2004 evidencing that Wayne Curry, Ursel Mikel and Les Adams have been re-elected to a four year term of office.

## OATHS OF OFFICE/STATEMENTS OF ELECTED OFFICIALS

Upon motion duly made, seconded and approved by unanimous vote, the Board acknowledged the execution of the Oaths of Office and Statements of Elected Officials by Wayne Curry, Ursel Mikel and Les Adams related to their re-election to the Board of Directors

of said District at the May 15, 2004 Directors Election.

#### RECONSTITUTE OFFICERS OF THE BOARD OF DIRECTORS

It was the consensus of the Board to retain the officers of the Board of Directors of the District.

#### REGISTRATION FORM

It was noted that after a Directors Election, the District is required to file an amended Registration Form with the TCEQ noting new Directors, if applicable, and new terms of office of the newly elected Directors. Upon motion by Director Curry, seconded by Director Verron, the Board by unanimous vote authorized the District's Attorney to prepare and file with the TCEQ an amended District Registration Form, as required by TCEQ's rules.

#### BOND ISSUE

Upon motion by Director Verron, seconded by Director Curry, the Board by unanimous vote authorized the District's consultants to proceed with preparing the necessary documents in order for the District to proceed with selling bonds.

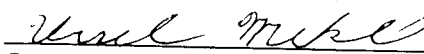
#### DEFERRED ACTION ITEMS

It was the consensus of the Board to defer action on (i) awarding a contract to repair Lift Station H and (ii) the purchase of a new vehicle until a later meeting.

There being no further business to come before the Board, upon motion duly made, seconded, and approved by unanimous vote, the meeting was adjourned.

PASSED, ADOPTED AND APPROVED this 15<sup>th</sup> day of June, 2004.

(DISTRICT SEAL)

  
Secretary, Board of Directors

**DO NOT DETACH**

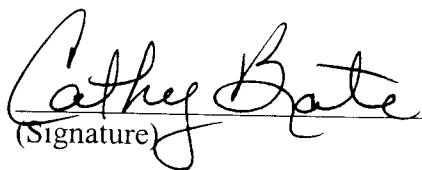
**CERTIFICATE OF POSTING OF NOTICE OF MEETING**

**THE STATE OF TEXAS**

**COUNTY OF MONTGOMERY**

**PORTER MUNICIPAL UTILITY DISTRICT**

I, Cathy Bate, the undersigned, hereby state that I posted a copy of the attached Notice of Meeting of the Board of Directors of Porter Municipal Utility District at a location convenient to the public, within the boundaries of the District, at 23922 Loop 494, Porter, Texas, on the 13<sup>th</sup> day May 2004, at 2:35 p.m., which date was not less than 72 hours prior to the scheduled time of the meeting on Tuesday, May 18, 2004 at 7:00 p.m.

  
(Signature)

# AGENDA

## PORTER MUNICIPAL UTILITY DISTRICT

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of Porter Municipal Utility District will meet in regular session, open to the public, at **7:00 p.m.**, on **Tuesday, May 18, 2004** at the Porter Municipal Utility District Office, 23922 Loop 494, Porter, Texas, at which meeting the following items will be considered:

1. Invocation and Pledge of Allegiance;
2. Approval of Minutes of meeting(s) on April 20, 2004.
3. Communications and take any necessary action on items listed;
  - a. Letter dated March 31, 2004 from DXI Industries, Inc. concerning price increase.
4. Public Forum, including;
5. C P A's Report, including;
  - a. Authorizing payment of District bills and issuance of checks.
  - b. Acceptance of bookkeeper's report.
6. Tax Assessor/Collector's report including;
  - a. Review and Approve Tax report.
  - b. Ratify motion to approve 2004 Tax Exemptions for; Homestead Exemption - 0 + 10%, Over 65 Exemption - \$20,000. and Disability Exemption - \$10,000.
7. Engineer's Report, including;
  - a. Review and discuss status of WWTP Site Fencing and take any action.
  - b. Review and discuss status of WWTP Digester Aeration Modifications and take any action.
  - c. Review status of TPDES Permit Application and Amendment.
  - d. Review and discuss GASB 34 mapping requirements.
  - e. Review status of CCN Update and Expansion and take any action:
    1. Discuss and act on request from Clinton Wong - Amvest
    2. Discuss and act on request by Signorelli - Valley Ranch
    3. Discuss and act on request by 1207 Grand Parkway
    4. Discuss and act on request by Landcraft Development
  - f. Review and discuss TxDOT plans for widening of FM 1314 and relocation and extension of District facilities and take any action.
  - g. Review and discuss TxDOT plans for improvements to US Hwy 59 and relocation of District facilities and take any action.
  - h. Review and discuss System (lift station) "H" repairs and consider award of contract as appropriate.
  - i. Discuss status of Hill and Smith Annexations and sewer service extension and take any action.
  - j. Discuss status of Martin, et al annexation and take any action.
  - k. Review and discuss status of New Caney ISD service agreement and take any action.
  - l. Review and discuss status of Sanitary Sewer Easement from Mr. & Mrs. Rhodes and take any action.
  - m. Review status of Ambush Road Sewer Extension and take any action.
  - n. Other engineering items for discussion and action, as appropriate:
    1. Review inquires for sewer service outside current boundaries.

2. Review status of sewer service request inside district boundaries as appropriate.
    - a. Friendship United Methodist Church
    - b. Genmac, Inc. Renewal of Capacity Commitment
    - c. First Baptist Church
    - d. Montgomery Pines Apts.
    - e. Wildwood Church
    - f. Hendricks Interest
  3. Review, discuss and take action concerning non-compliance conditions of customers as appropriate.
    - a. First Baptist Church
  4. Other engineering items as may require discussion or action.
- 
8. Operator's Report, including;
    - a. Monthly report on operations of wastewater treatment plant and lift stations and take any necessary action.
  9. New business;
  10. Old Business;
  11. Financial Advisor Report;
  12. Office Manager's Report, including;
    - a. Monthly benefit reports.
    - b. Call meeting for May 24, 2004 to canvass election.
    - c. Report on Insurance claim with TML.
  13. Attorney's Report;
  14. Reports and proposals by Board of Directors;
    - a. Discuss status of hiring laborer.
    - b. Discuss status of purchasing vehicle.

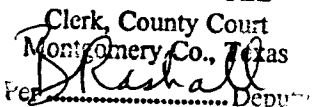
Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in closed session to discuss matters relating to pending or contemplated litigation, personnel matters, or real estate transactions.

**EXECUTED** this 13<sup>th</sup> day of May 2004.

DISTRICT SEAL

PORTER MUNICIPAL UTILITY DISTRICT

By:   
J. RON YOUNG, ATTORNEY

**POSTED**  
13 day of May 04  
MARK TURNBULL  
Clerk, County Court  
Montgomery Co., Texas  
Per  Deputy

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
MAY 18, 2004

THE STATE OF TEXAS	§
COUNTY OF MONTGOMERY	§
PORTER MUNICIPAL UTILITY DISTRICT	§

The Board of Directors (the "Board") of Porter Municipal Utility District (the "District") met in regular session, open to the public, at its regular meeting place inside the boundaries of the District, at 23922 Loop 494, Porter, Texas, on Tuesday, May 18, 2004 at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Bill Sparks	-	President
Les L. Adams	-	Vice President
Ursel D. Mikel	-	Secretary
Jacques Verron	-	Treasurer/Investment Officer
Wayne Curry	-	Assistant Secretary/Assistant Treasurer

All members of the Board were present, thus constituting a quorum.

Also attending the meeting were Jeannie Hargis with the office of Paula J. Hargis, CPA, the District's Bookkeeper; Jeffrey Kay, Operator for the District; Greg Parker, the District's Engineer; Cathy Bate, the District's Office Manager; Karen Ferguson, employee of the District; and Gwen Briggs, Recording Secretary for the District. A list of other people attending the meeting is attached hereto as Exhibit "A".

WHEREUPON, the President called the meeting to order at 7:00 p.m. The posted meeting notices are attached hereto collectively as Exhibit "B".

### PLEDGE OF ALLEGIANCE

The meeting was opened with an invocation by Director Sparks and the reciting of the Pledge of Allegiance.

### APPROVAL OF MINUTES

The first item of business to come before the Board was the approval of the minutes from the meeting held on April 20, 2004. Director Curry moved approval of the minutes from the meeting of April 20, 2004, as corrected. Director Verron seconded the motion which was approved by unanimous vote.

### COMMUNICATIONS

Communications reviewed by the Board include the item listed on tonight's agenda under item 3.a. and contained in the meeting packet appearing on page 14. Director Verron moved acceptance of the Communications listed under item 3.a. of the agenda. The motion was seconded by Director Mikel and approved by unanimous vote.

### HEAR FROM THE PUBLIC

The Board noted that no one from the public was present at tonight's meeting wishing to address the Board.

### BOOKKEEPER'S REPORT

The Board next received the Bookkeeper's report. Ms. Hargis reviewed the Bookkeeper's report, a copy of which is attached hereto as Exhibit "C". The District's Depository Pledge Reports with Bank of America and Wells Fargo National Bank for the month of May, 2004 are included in the Bookkeeper's report attached hereto. Ms. Hargis also reviewed the additional checks written after her written report was completed.

Following review of the Bookkeeper's report and further discussion concerning District funds, a motion was made by Director Verron to approve the Bookkeeper's report. The motion was seconded by Director Adams and approved by unanimous vote. Director Verron then motioned approval of payment of the checks listed in the Bookkeeper's report, including payment of the additional checks presented at the meeting which do not appear on the written report. The motion was seconded by Director Adams and approved by unanimous vote.

#### TAX ASSESSOR/COLLECTOR'S REPORT

The Board next reviewed the Montgomery County Tax Assessor/Collector's report dated May 5, 2004 related to tax collections within the District during the month of April, 2004. The report shows that the tax office has collected 92.92% of the District's 2003 taxes through April 30, 2004.

After further discussion of tax related matters, a motion was made by Director Curry, seconded by Director Mikel and approved by unanimous vote to approve the Tax Assessor/Collector's report. A copy of the Tax Assessor/Collector's report is attached attached hereto as Exhibit "D" and shall be considered a part of these minutes.

Ms. Hargis next reported that the District's estimated assessed valuation for 2004 is \$164,229,462. Ms. Hargis stated that this represents an increase of approximately 6.06% from last year's assessed valuation, however, personal property has not yet been included on the District's 2004 tax roll.

Related to the tax exemptions approved by the Board at last month's meeting for the 2004 tax year, Director Adams moved approval to ratify the Board's action to grant the same tax exemptions as granted for the 2003 tax year and as listed under item 6.b. of tonight's



agenda. The motion was seconded by Director Verron and approved by unanimous vote.

#### ENGINEER'S REPORT

Mr. Parker presented the report attached hereto as Exhibit "E" and reviewed the following items with the Board:

1. Related to the wastewater treatment plant expansion, Mr. Parker reported that the site fencing is substantially complete and that he is still holding the contractor's final retainage.

Mr. Parker next stated that NTS, the contractor for the digester aeration at the treatment plant expansion, is working on the electrical components at the plant.

2. Related to the District's TPDES permit renewal and modification application, Mr. Parker reported that a revised Notice of the District's application to renew the permit will be published in the near future. Mr. Parker reminded the Board that there is a 30-day period after the Notice is published that anyone can protest the permit renewal application.

3. Mr. Parker stated that related to the GASB 34 audit requirements, he is preparing documentation of improvements made to District facilities since the first bond issue and will forward this information to the District's Auditor.

4. Mr. Parker stated that Clinton Wong (Amvest Corporation) needs to provide the District with proof that the City of Houston will provide his property with service prior to the District omitting his property from the District's CCN expansion.

5. Mr. Parker next reported that Mr. Signorelli has not yet provided the District's Financial Advisor with financial data related to the possible development of 600 acres between White Oak Creek and Forest Colony.

6. Mr. Parker next reported on his meeting with Directors Verron and Sparks with representatives from Landcraft Development concerning development of property owned by Landcraft Development.

7. Mr. Parker next reported that the annexation of the Hill-Smith properties is proceeding.

8. Mr. Parker next reported that the Family Dollar Store and the Executive Suites have expressed interest in being annexed into the District. Mr. Parker informed both parties that they need to pay a \$2,000 deposit to the District in order for the annexation process to begin.

9. Related to TxDot's FM 1314 project, Mr. Parker stated that conflicts with TxDot have been resolved related to storm sewer and sanitary sewer manholes. Drawings are being prepared for submittal to the City of Houston, Montgomery County and TCEQ.

10. Mr. Parker next stated that he is preparing follow-up correspondence to TxDot regarding facility locations and adjustments related to their improvement project to U.S. Highway 59.

11. Mr. Parker next informed the Board that he is waiting for proposals from contractors to repair System "H" lift station.

12. Mr. Parker stated that the Attorney for New Caney ISD is currently reviewing the draft Service Agreement between the District and New Caney ISD.

13. Mr. Parker informed the Board that the District's Attorney is coordinating with the lienholder on the Rhodes sanitary sewer easement for their formal consent.

14. Mr. Parker next informed the Board that the Ambush Road sanitary sewer extension project is on hold until weather conditions improve.

15. Mr. Parker next stated that a resident in Golden Trails is attempting to schedule a meeting with surrounding subdivisions concerning sewer service from the District.

16. Mr. Parker noted that Friendship United Methodist Church (located within the boundaries of the District) has requested sewer service but did not quantify the amount of capacity needed. Mr. Parker stated that the Church will need to put in a grease trap. The Board agreed to defer action on Friendship United Methodist Church's request for service until a later meeting.

17. Mr. Parker next discussed the status of his actions related to other entities requesting sewer capacity from the District. Mr. Parker directed the Board's attention to page 95 of the meeting packet, a letter addressed to Hendricks Interests related to the District's agreement to provide sewer service to 13.5 acres they are selling to a developer of an apartment complex.

After further discussion concerning engineering matters, a motion was made by Director Verron, seconded by Director Adams, and approved by unanimous vote to accept the Engineer's report as presented by Mr. Parker.

#### OPERATOR'S REPORT

The Board next received the Operator's report, a copy of which is attached hereto as Exhibit "F". Mr. Kay reviewed the list of work orders completed in April, 2004.

Mr. Kay next reviewed the run-times of the Lift Stations in April, 2004 compared to the run times in March, 2004.

Mr. Kay next reported that the wastewater treatment plant operated within the parameters of its discharge permit during the month of April.

After further discussion concerning operations within the District, a motion was made by Director Verron, seconded by Director Adams to approve the Operator's report as presented by Mr. Kay. The motion carried by unanimous vote.

#### NEW BUSINESS/OLD BUSINESS/ FINANCIAL ADVISOR'S REPORT

No action was discussed or taken by the Board related to the above-listed agenda items.

#### OFFICE MANAGER'S REPORT

Ms. Bate next reviewed with the Board the Monthly Benefit Reports for the District's personnel beginning on page 105 of the meeting packet.

Ms. Bate noted that on April 28, 2004 an additional letter requesting payment of \$1,600 was transmitted to TML concerning the District's insurance claim for an incident occurring on March 4, 2004.

Director Adams moved approval to schedule a special meeting for May 26, 2004 to canvass the returns of the May 15, 2004 Directors Election and consider awarding a contract to repair System "H" lift station. The motion was seconded by Director Mikel and approved by unanimous vote.

Upon a motion duly made and seconded, the Office Manager's report was approved. The motion passed by unanimous vote. A copy of the Office Manager's report is attached hereto as Exhibit "G".

#### DIRECTOR'S REPORT

It was the consensus of the Board to appoint a committee of Directors Mikel and Curry to interview prospective new employees. Director Adams was appointed as an alternate to the committee if for any reason Director Mikel or Director Curry are not available for the

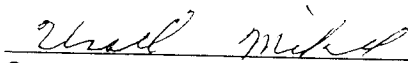
interview. The Board further concurred that the starting salary for a new employee will be \$10.00 per hour.

It was next reported that Directors Sparks and Verron are investigating the purchase of new truck for the District.

There being no further business to come before the Board, upon a motion duly made, seconded and unanimously approved, the meeting was adjourned at 8:45 p.m.

PASSED, ADOPTED AND APPROVED this 20th day of July, 2004.

(DISTRICT SEAL)

  
Secretary, Board of Directors

**DO NOT DETACH**

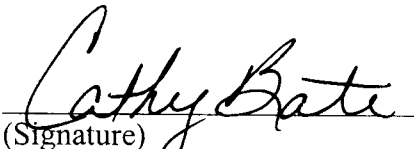
**CERTIFICATE OF POSTING OF NOTICE OF MEETING**

**THE STATE OF TEXAS**

**COUNTY OF MONTGOMERY**

**PORTER MUNICIPAL UTILITY DISTRICT**

I, Cathy Bate, the undersigned, hereby state that I posted a copy of the attached Notice of Meeting of the Board of Directors of Porter Municipal Utility District at a location convenient to the public, within the boundaries of the District, at 23922 Loop 494, Porter, Texas, on the 15<sup>th</sup> day April 2004, at 1:45 p.m., which date was not less than 72 hours prior to the scheduled time of the meeting on Tuesday, April 20, 2004 at 7:00 p.m.

  
(Signature)

## AGENDA

### PORTER MUNICIPAL UTILITY DISTRICT

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of Porter Municipal Utility District will meet in regular session, open to the public, at **7:00 p.m.**, on **Tuesday, April 20, 2004** at the Porter Municipal Utility District Office, 23922 Loop 494, Porter, Texas, at which meeting the following items will be considered:

1. Invocation and Pledge of Allegiance;
2. Approval of Minutes of meeting(s) on March 16, 2004.
3. Communications and take any necessary action on items listed;
  - a. Newsletter received from Porter Water Supply Corporation, March 2004.
  - b. Letter dated February 27, 2004 from Texas Water Development Board concerning inspection, Site Fencing and Wastewater Treatment Plant Site Drainage.
  - c. Letter dated March 18, 2004 from Texas Water Development Board concerning inspection, Site Fencing.
  - d. Letter dated March 15, 2004 from Texas Water Development Board concerning receipt of Annual Audit for Fiscal Year Ended September 30, 2003.
  - e. Letter dated March 11, 2004 from the City of Houston, concerning replacement check for Wastewater Capacity Reservation Application fee.
  - f. Letter dated April 1, 2004 from Greg Parker concerning Office relocation.
4. Public Forum, including;
  - a. Jake Miller, concerning winter average, and take any necessary action.
5. C P A's Report, including;
  - a. Authorizing payment of District bills and issuance of checks.
  - b. Acceptance of bookkeeper's report.
  - c. Review, discuss and take action on quarterly reports.
6. Tax Assessor/Collector's report including;
  - a. Review and Approve Tax report.
7. Engineer's Report, including;
  - a. Review and discuss status of WWTP Site Fencing and take any action.
  - b. Review and discuss status of WWTP Digester Aeration Modifications and take any action.
  - c. Review status of TPDES Permit Application and Amendment.
  - d. Review and discuss GASB 34 mapping requirements.
  - e. Review status of CCN Update and Expansion and take any action:
    1. Discuss and act on request from Clinton Wong – Amvest
    2. Discuss and act on request by Signorelli – Valley Ranch
    3. Discuss and act on request by 1207 Grand Parkway
    4. Discuss and act on request by Landcraft Development
  - f. Review and discuss TxDOT plans for widening of FM 1314 and relocation and extension of District facilities and take any action.
  - g. Review and discuss TxDOT plans for improvements to US Hwy 59 and relocation of District facilities and take any action.
  - h. Review and discuss System (lift station) "H" evaluation and take any action.
  - i. Discuss status of Hill and Smith Annexations and sewer service extension and take any action.

- j. Discuss status of Martin, et al annexation and take any action.
- k. Review and discuss status of New Caney ISD service agreement and take any action.
- l. Review and discuss status of Sanitary Sewer Easement from Mr. & Mrs. Rhodes and take any action.
- m. Review status of Ambush Road Sewer Extension and take any action.
- n. Other engineering items for discussion and action, as appropriate:
  1. Review inquires for sewer service outside current boundaries.
  2. Review status of sewer service request inside district boundaries as appropriate.
    - a. Genmac, Inc. renewal of Capacity Commitment
    - b. First Baptist Church
    - c. Montgomery Pines Apts.
    - d. Wildwood Church
    - e. Hendricks Interest
  3. Review, discuss and take action concerning non-compliance conditions of customers as appropriate.
  4. Other engineering items as may require discussion or action.
8. Operator's Report, including;
  - a. Monthly report on operations of wastewater treatment plant and lift stations and take any necessary action.
  - b. Discuss and take action on purchase of 2 bearings for #2 Rotor and report on rehab. This will include rebuilding the gear drive and rework the shaft.
  - c. Report on repair to 4" sewer service line at 24365 Kelly Road.
9. New business;
  - a. Discuss and take action concerning joining the East Montgomery County Chamber of Commerce.
10. Old Business;
11. Financial Advisor Report;
12. Office Manager's Report, including;
  - a. Monthly benefit reports.
13. Attorney's Report;
  - a. Authorize president to execute Notice of Election.
14. Reports and proposals by Board of Directors;

**POSTED**  
*15* day of *April* of *04*  
**MARK TURNBULL**  
Clerk, County Court  
Montgomery Co., Texas  
*Shashel*  
Per ..... Deputy

Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in closed session to discuss matters relating to pending or contemplated litigation, personnel matters, or real estate transactions.

**EXECUTED** this 15<sup>th</sup> day of April 2004.

DISTRICT SEAL

**PORTER MUNICIPAL UTILITY DISTRICT**

By: *J. Ron Young*   
J. RON YOUNG, ATTORNEY



MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
APRIL 20, 2004

THE STATE OF TEXAS	§
COUNTY OF MONTGOMERY	§
PORTER MUNICIPAL UTILITY DISTRICT	§

The Board of Directors (the "Board") of Porter Municipal Utility District (the "District") met in regular session, open to the public, at its regular meeting place inside the boundaries of the District, at 23922 Loop 494, Porter, Texas, on Tuesday, April 20, 2004 at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Bill Sparks	-	President
Les L. Adams	-	Vice President
Ursel D. Mikel	-	Secretary
Jacques Verron	-	Treasurer/Investment Officer
Wayne Curry	-	Assistant Secretary/Assistant Treasurer

All members of the Board were present, thus constituting a quorum.

Also attending the meeting were Kathryn Turner with the office of Paula J. Hargis, CPA, the District's Bookkeeper; Jeffrey Kay, Operator for the District; Greg Parker, the District's Engineer; Cathy Bate, the District's Office Manager; Karen Ferguson, employee of the District; and Gwen Briggs, Recording Secretary for the District. A list of other people attending the meeting is attached hereto as Exhibit "A".

WHEREUPON, the President called the meeting to order at 7:00 p.m. The posted meeting notices are attached hereto collectively as Exhibit "B".

### PLEDGE OF ALLEGIANCE

The meeting was opened with an invocation by Director Sparks and the reciting of the Pledge of Allegiance.

### APPROVAL OF MINUTES

The first item of business to come before the Board was the approval of the minutes from the meeting held on March 16, 2004. Director Adams moved approval of the minutes from the meeting of March 16, 2004, as corrected. Director Verron seconded the motion which was approved by unanimous vote.

### COMMUNICATIONS

Communications reviewed by the Board include the items listed on tonight's agenda under item 3.a. through 3.f. and contained in the meeting packet appearing on pages 13 through 33. Director Verron moved acceptance of the Communications listed under items 3.a. through 3.f. of the agenda. The motion was seconded by Director Adams and approved by unanimous vote.

### HEAR FROM THE PUBLIC

The President of the Board then recognized Jake Miller who informed the Board that during the months wintering averaging was being calculated, some of his leased trailer units experienced leaks resulting in a high usage. Mr. Miller stated that once the leaks were identified, they were promptly repaired. After discussion, Director Curry motioned approval to reduce Mr. Miller's winter average rate to the usage rate Porter Water Supply Corporation agreed to after Mr. Miller pay's two months of usage calculated at the original winter average calculation. Director Mikel seconded the motion which was approved by unanimous vote

### BOOKKEEPER'S REPORT

The Board next received the Bookkeeper's report. Ms. Turner reviewed the Bookkeeper's report, a copy of which is attached hereto as Exhibit "C". The District's Depository Pledge Reports with Bank of America and Wells Fargo National Bank for the month of April, 2004 are included in the Bookkeeper's report attached hereto. Ms. Turner also reviewed the additional checks written after her written report was completed.

Following review of the Bookkeeper's report and further discussion concerning District funds, a motion was made by Director Verron to approve the Bookkeeper's report and the District's Investment Reports for the first quarter of 2004. The motion was seconded by Director Adams and approved by unanimous vote. Director Verron then motioned approval of payment of the checks listed in the Bookkeeper's report, including payment of the additional checks presented at the meeting which do not appear on the written report. The motion was seconded by Director Adams and approved by unanimous vote.

#### TAX ASSESSOR/COLLECTOR'S REPORT

The Board next reviewed the Montgomery County Tax Assessor/Collector's report dated April 6, 2004 related to tax collections within the District during the month of March, 2004. The report shows that the tax office has collected 91.93% of the District's 2003 taxes through March 31, 2004.

After further discussion of tax related matters, a motion was made by Director Adams, seconded by Director Verron and approved by unanimous vote to approve the Tax Assessor/Collector's report. A copy of the Tax Assessor/Collector's report is attached attached hereto as Exhibit "D" and shall be considered a part of these minutes.

Also related to tax matters, the Board next considered approving tax exemptions for the 2004 tax year. After discussion, Director Curry moved approval to grant the same tax

exemptions as the Board granted for the 2003 tax year as follows: (i) 10% general homestead exemption, (ii) \$20,000 exemption for taxpayers 65 years of age and older, and (iii) \$10,000 disability tax exemption.

#### ENGINEER'S REPORT

Mr. Parker presented the report attached hereto as Exhibit "E" and reviewed the following items with the Board:

1. Representatives from 1207 Grand Parkway and Landcraft Development, including Attorney Rick Fisher, requested that the 1,400 acres owned by the developers be omitted from the District's application to expand its current CCN. Mr. Fisher stated that the developers plan to create a new utility district and already have a water CCN in place. The Board concluded to take no formal action at tonight's meeting related to this request but agreed to form a committee of two Directors to meet with the developers, along with Greg Parker and Ron Young, to discuss this matter further.

2. Ken Streeter and Randal Hendricks next addressed the Board concerning someone purchasing 13-acres presently owned by Hendricks Development for a 250 to 300-unit apartment complex. Mr. Streeter stated that the purchaser needs a utility commitment letter from the District in order to finalize the financing of the purchase of the property. After further discussion, Director Curry moved approval for Mr. Parker to prepare a letter committing 35,000 gallons per day of sewer capacity for the first phase of the development of the project and a second letter committing 40,000 gallons per day of sewer capacity for the second phase of the project with the understanding that the apartment complex will be constructed within a two year time period commencing with the issuance of the utility

commitment letter for the first phase of the development. The motion was seconded by Director Mikel and approved by unanimous vote.

3. Related to the wastewater treatment plant expansion, Mr. Parker reported that the site fencing is substantially complete and that he is preparing the final punch-list inspection.

Mr. Parker next stated that the materials for the digester aeration have been ordered and are currently being fabricated.

4. Related to the District's TPDES permit renewal and modification application, Mr. Parker reported that he anticipates receiving the permit in June or July, 2004.

5. Mr. Parker stated that related to the GASB 34 audit requirements, he is preparing documentation of improvements made to District facilities since the first bond issue and will forward this information to the District's Auditor.

6. Mr. Parker stated that Clinton Wong (Amvest Corporation) needs to provide the District with proof that the City of Houston will provide his property with service prior to the District omitting his property from the District's CCN expansion.

7. Mr. Parker next reported that Mr. Signorelli has not yet provided the District's Financial Advisor with financial data related to the possible development of 600 acres between White Oak Creek and Forest Colony.

8. Mr. Parker next reported that the annexation of the Hill-Smith properties is proceeding.

9. Mr. Parker next reported that the Family Dollar Store and the Executive Suites have expressed interest in being annexed into the District. Mr. Parker informed both parties that they need to pay a \$2,000 deposit to the District in order for the annexation process to begin.

10. Related to TxDot's FM 1314 project, Mr. Parker stated that conflicts with TxDot have been resolved related to storm sewer and sanitary sewer manholes. Drawings are being prepared for submittal to the City of Houston, Montgomery County and TCEQ.

11. Mr. Parker next stated that he is preparing follow-up correspondence to TxDot regarding facility locations and adjustments related to their improvement project to U.S. Highway 59.

12. Mr. Parker next informed the Board that he has solicited proposals to repair the deficiencies found by AAA Pipe's inspection of System "H"

13. Mr. Parker informed the Board that Mr. & Mrs. Rhodes executed the sanitary sewer easement and the Attorney is coordinating with them for the lienholder's consent.

14. Mr. Parker next informed the Board that a draft Service Agreement has been forwarded to New Caney ISD for their review and comment. No response was received prior to tonight's meeting.

15. Mr. Parker next informed the Board that the Ambush Road sanitary sewer extension project is on hold until weather conditions improve.

16. Mr. Parker next stated that a resident in Golden Trails is attempting to schedule a meeting with surrounding subdivisions concerning sewer service from the District. The Board authorized Mr. Parker to respond to the resident's request for information on procedures and estimated costs to obtain sewer service from the District.

17. Mr. Parker next stated that Genmac, Inc. has requested that the District renew a utility commitment letter issued for 2,520 gallons per day of sewer capacity which original letter has expired. Upon motion by Director Curry, seconded by Director Adams, the Board by unanimous vote authorized Mr. Parker to notify Genmac that approval of the utility

commitment was being deferred pending the submission of an actual construction schedule and request for capacity at that time.

18. Mr. Parker next reported that he approved plans and issued commitment letters to First Baptist Church and Wildwood Church.

After further discussion concerning engineering matters, a motion was made by Director Verron, seconded by Director Curry, and approved by unanimous vote to accept the Engineer's report as presented by Mr. Parker.

#### OPERATOR'S REPORT

The Board next received the Operator's report, a copy of which is attached hereto as Exhibit "F". Mr. Kay reviewed the list of work orders completed in March, 2004.

Mr. Kay next reviewed the run-times of the Lift Stations in March, 2004 compared to the run times in February, 2004.

Mr. Kay next reported that the wastewater treatment plant operated within the parameters of its discharge permit during the month of March.

Mr. Kay next reported on a 4-inch service line on Kelly Road that is scheduled for repairs the following day at a cost of \$1,500.

Mr. Kay next requested that the Board consider hiring an addition employee for operation purposes.

After further discussion concerning operations within the District, a motion was made by Director Verron, seconded by Director Adams to approve the Operator's report as presented by Mr. Kay. The motion carried by unanimous vote.

### NEW BUSINESS

Pat Chandler next requested the Board to consider the District joining the East Montgomery County Chamber of Commerce. Upon motion by Director Verron, seconded by Director Curry, the Board by unanimous vote approved the District joining the above-stated Chamber of Commerce and the payment of the \$200 membership fee.

### OFFICE MANAGER'S REPORT

Ms. Bate next reviewed with the Board the Monthly Benefit Reports for the District's personnel beginning on page 91 of the meeting packet.

Ms. Bate noted that on April 13, 2004 a letter was transmitted to TML concerning the District's insurance claim for an incident occurring on March 4, 2004.

Upon a motion duly made and seconded, the Office Manager's report was approved. The motion passed by unanimous vote. A copy of the Office Manager's report is attached hereto as Exhibit "G".

### ATTORNEY'S REPORT

Upon motion made by Director Curry, seconded by Director Verron, the Board by unanimous vote approved the President and Secretary executing a Notice of Election related to the May 15, 2004 Directors Election. A copy of said Notice appears on page 97 of the meeting packet.

There being no further business to come before the Board, upon a motion duly made, seconded and unanimously approved, the meeting was adjourned at 9:00 p.m.

PASSED, ADOPTED AND APPROVED this 18th day of May, 2004.

(DISTRICT SEAL)

  
Secretary, Board of Directors



**DO NOT DETACH**

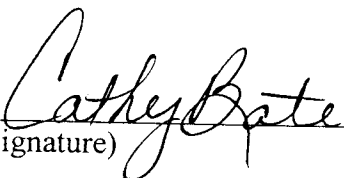
**CERTIFICATE OF POSTING OF NOTICE OF MEETING**

**THE STATE OF TEXAS**

**COUNTY OF MONTGOMERY**

**PORTER MUNICIPAL UTILITY DISTRICT**

I, Cathy Bate, the undersigned, hereby state that I posted a copy of the attached Notice of Meeting of the Board of Directors of Porter Municipal Utility District at a location convenient to the public, within the boundaries of the District, at 23922 Loop 494, Porter, Texas, on the 11<sup>th</sup> day March 2004, at 3:00 p.m., which date was not less than 72 hours prior to the scheduled time of the meeting on Tuesday, March 16, 2004 at 7:00 p.m.

  
(Signature)

## AGENDA

### PORTER MUNICIPAL UTILITY DISTRICT

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of Porter Municipal Utility District will meet in regular session, open to the public, at **7:00 p.m.**, on **Tuesday, March 16, 2004** at the Porter Municipal Utility District Office, 23922 Loop 494, Porter, Texas, at which meeting the following items will be considered:

1. Invocation and Pledge of Allegiance;
2. Approval of Minutes of meeting(s) on February 17, 2004.
3. Communications and take any necessary action on items listed;
  - a. Annual Newsletter received from Porter Water Supply Corporation, February 2004.
  - b. Letter dated February 18, 2004 from Texas Water Development Board concerning Loan, Wastewater Treatment Plant Site Drainage and Channel Improvements & Certificate of Approval and Change Order Nos. 1, 2 and 3 Approvals.
  - c. Letter dated March 3, 2004 from Texas Workforce Commission concerning Tax Rate Notice for 2004.
4. Public Forum, including;
5. C P A's Report, including;
  - a. Authorizing payment of District bills and issuance of checks.
  - b. Acceptance of bookkeeper's report.
6. Tax Assessor/Collector's report including;
  - a. Review and Approve Tax report.
7. Engineer's Report, including;
  - a. Review and discuss status of WWTP Site Fencing and take any action.
  - b. Review and discuss status of WWTP Digester Aeration Modifications and take any action.
  - c. Review status of TPDES Permit Application and Amendment.
  - d. Review and discuss GASB 34 mapping requirements.
  - e. Review status of CCN Update and Expansion and take any action:  
Prepared and transmitted various maps for TCEQ use.
    1. Discuss and act on request from Clinton Wong – Amvest
    2. Discuss and act on request by Signorelli – Valley Ranch
  - f. Review and discuss TxDOT plans for widening of FM 1314 and relocation and extension of District facilities and take any action.
  - g. Review and discuss TxDOT plans for improvements to US Hwy 59 and relocation of District facilities and take any action.
  - h. Review and discuss status of Sanitary Sewer Evaluation Study for System (lift station) "H" and take any action.
  - i. Discuss status of Hill-Martin and Smith Annexations and sewer service extension and take any action.
  - j. Review and discuss status of New Caney ISD service agreement and take any action.
  - k. Review and discuss status of Sanitary Seer Easement from Mr. & Mrs. Rhodes and take any action.
  - l. Other engineering items for discussion and action, as appropriate:
    1. Review inquires for sewer service outside current boundaries.

- a. Received telephone inquiries form Ashworth, Hardin and the Quigley Company and sent out inquiry forms.
  2. Review status of sewer service request inside district boundaries as appropriate.
  3. Review, discuss and take action concerning non-compliance conditions of customers as appropriate.
  4. Other engineering items as may require discussion or action.
    - a. First Baptist Church
    - b. Montgomery Pines Apts.
    - c. Wildwood Freewill Baptist Church
8. Operator's Report, including;
  - a. Monthly report on operations of wastewater treatment plant and Lift Stations and take any necessary action.
  - b. Discuss status of construction of Ambush Road sewer line by Mark Martin and take any necessary action.
  - c. Review, discuss and report on RAS Pump monitors for #1 & #2.
9. New business;
  - a. Review, discuss and approve engagement contract with Hereford, Lynch, Sellars, & Kirkham concerning GASB.
  - b. Review, discuss and approve engagement contract with Hereford, Lynch, Sellars & Kirkham for physical year ending September 30, 2004.
10. Old Business;
11. Financial Advisor Report;
12. Office Manager's Report, including;
  - a. Monthly benefit reports.
  - b. Report on filing annual Audit with Texas Water Development Board.
13. Attorney's Report;
14. Reports and proposals by Board of Directors;

Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in closed session to discuss matters relating to pending or contemplated litigation, personnel matters, or real estate transactions.

**EXECUTED** this 11<sup>th</sup> day of March 2004.

DISTRICT SEAL

PORTER MUNICIPAL UTILITY DISTRICT

**POSTED**

By:

*J. Ron Young*  
J. RON YOUNG, ATTORNEY

11 day of *Mar* 04  
**MARK TURNBULL**  
Clerk, County Court  
Montgomery Co., Texas  
Per *B. Rashall* Deputy

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
MARCH 16, 2004

THE STATE OF TEXAS	§
COUNTY OF MONTGOMERY	§
PORTER MUNICIPAL UTILITY DISTRICT	§

The Board of Directors (the "Board") of Porter Municipal Utility District (the "District") met in regular session, open to the public, at its regular meeting place inside the boundaries of the District, at 23922 Loop 494, Porter, Texas, on Tuesday, March 16, 2004 at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Bill Sparks	-	President
Les L. Adams	-	Vice President
Ursel D. Mikel	-	Secretary
Jacques Verron	-	Treasurer/Investment Officer
Wayne Curry	-	Assistant Secretary/Assistant Treasurer

All members of the Board were present, except Director Curry, thus constituting a quorum.

Also attending the meeting were Jeannie Hargis with the office of Paula J. Hargis, CPA, the District's Bookkeeper; Jeffrey Kay, Operator for the District; Greg Parker, the District's Engineer; Bill Blitch of SAMCO Capital Markets, Co-Financial Advisor to the District; Cathy Bate, the District's Office Manager; Karen Ferguson, employee of the District; and Gwen Briggs, Recording Secretary for the District. A list of other people attending the meeting is attached hereto as Exhibit "A".

WHEREUPON, the President called the meeting to order at 7:00 p.m. The posted meeting notices are attached hereto collectively as Exhibit "B".

### PLEDGE OF ALLEGIANCE

The meeting was opened with an invocation by Director Sparks and the reciting of the Pledge of Allegiance.

### APPROVAL OF MINUTES

The first item of business to come before the Board was the approval of the minutes from the meeting held on February 17, 2004. Director Adams moved approval of the minutes from the meeting of February 17, 2004, as corrected. Director Verron seconded the motion which was approved by unanimous vote.

### COMMUNICATIONS

Communications reviewed by the Board include the items listed on tonight's agenda under item 3.a. through 3.c. and contained in the meeting packet appearing on pages 15 through 26. Director Verron moved acceptance of the Communications listed under items 3.a. through 3.c. of the agenda. The motion was seconded by Director Adams and approved by unanimous vote.

### HEAR FROM THE PUBLIC

The Board noted that no one from the public was present at the meeting who wished to address the Board.

### BOOKKEEPER'S REPORT

The Board next received the Bookkeeper's report. Ms. Hargis reviewed the Bookkeeper's report, a copy of which is attached hereto as Exhibit "C". The District's Depository Pledge Reports with Bank of America and Wells Fargo National Bank for the

month of March, 2004 are included in the Bookkeeper's report attached hereto. Ms. Hargis also reviewed the additional checks written after her written report was completed.

Following review of the Bookkeeper's report and further discussion concerning District funds, a motion was made by Director Verron to approve the Bookkeeper's report. The motion was seconded by Director Adams and approved by unanimous vote. Director Adams then motioned approval of payment of the checks listed in the Bookkeeper's report, including payment of the additional checks presented at the meeting which do not appear on the written report. The motion was seconded by Director Verron and approved by unanimous vote.

#### TAX ASSESSOR/COLLECTOR'S REPORT

The Board next reviewed the Montgomery County Tax Assessor/Collector's report dated March 3, 2004 related to tax collections within the District during the month of February, 2004. The report shows that the tax office has collected 90.60% of the District's 2003 taxes through February 28, 2004.

After further discussion of tax related matters, a motion was made by Director Adams, seconded by Director Verron and approved by unanimous vote to approve the Tax Assessor/Collector's report. A copy of the Tax Assessor/Collector's report is attached attached hereto as Exhibit "D" and shall be considered a part of these minutes.

#### ENGINEER'S REPORT

Mr. Parker presented the report attached hereto as Exhibit "E" and reviewed the following items with the Board:

1. Related to the wastewater treatment plant expansion, Mr. Parker reported that the site fencing is substantially complete and the contractor submitted a payment request. Mr.

Parker stated that a final inspection of the fence work will be performed prior to processing and release of final retainage.

Mr. Parker next stated that he issued a Notice to Proceed to the contractor for the digester aeration modification project at the treatment plant. Mr. Parker stated that NTS has ordered the materials for this project.

2. Related to the District's TPDES permit renewal and modification application, Mr. Parker reported that he is processing the information requested by the TCEQ concerning average daily flows at the plant.

3. Mr. Parker stated that related to the GASB 34 audit requirements, he is preparing documentation of improvements made to District facilities since the first bond issue and will forward this information to the District's Auditor.

4. Mr. Parker stated that Clinton Wong has filed a protest with the TCEQ regarding the District's application to expand its CCN. A new map of the expanded CCN was also recently filed with the TCEQ and copies were presented to Mr. Blitch and Ms. Bate.

5. Mr. Parker next reported that Mr. Signorelli will provide the District's Financial Advisor with financial data related to the possible development of 600 acres between White Oak Creek and Forest Colony.

6. Mr. Parker next reported that he clarified with the Bookkeeper which property owners paid their annexation deposits and suggested that the District proceed with annexing the Hill-Smith properties and not Martin's properties at this time. Mr. Parker reminded the Board that Martin sold one of his tracts to the Family Dollar Store and another tract to Executive Suites.

7. Related to TxDot's FM 1314 project, Mr. Parker stated that he is obtaining a third party's evaluation of the compensation the District should receive from TxDot for the existing Lift Station D. Mr. Parker next informed the Board of his meeting with TxDot related to final adjustments and resolutions related to storm sewer and sanitary sewer manhole conflicts.

8. Mr. Parker next stated that he is preparing follow-up correspondence to TxDot regarding facility locations and adjustments related to their improvement project to U.S. Highway 59.

9. Mr. Parker next informed the Board that AAA Pipe's inspection of System "H" found leaks and problems with a few manholes. Mr. Parker stated that repairs will be completed before another System is inspected.

10. Mr. Parker informed the Board that the Rhodes executed the sanitary sewer easement and that the Attorney is obtaining the lienholder's consent.

11. Mr. Parker next informed the Board of his conversations with property owners outside the District related to sewer service.

12. Mr. Parker next informed the Board that the First Baptist Church of Porter wants to start construction of their new facilities but their plans are not complete nor has the Church made the necessary improvements to their existing facilities.

13. Mr. Parker next stated that he reviewed plans for the Montgomery Pines Apartments but the plans did not comply with the District's Rules and Regulations. The plans will be returned to the representative with Mr. Parker's comments and notice of deficiencies.

After further discussion concerning engineering matters, a motion was made by Director Verron, seconded by Director Mikel, and approved by unanimous vote to accept the



Engineer's report as presented by Mr. Parker.

#### OPERATOR'S REPORT

The Board next received the Operator's report, a copy of which is attached hereto as Exhibit "F". Mr. Kay reviewed the list of work orders completed in February, 2004.

Mr. Kay next reviewed the run-times of the Lift Stations in February, 2004 compared to the run times in January, 2004.

Mr. Kay next reported that the wastewater treatment plant operated within the parameters of its discharge permit during the month of February but there was one excursion in March. Mr. Kay stated that the TCEQ was notified of the excursion, as required by agency rules. Mr. Kay next stated that flow meters were installed at a cost of \$3,750.

After further discussion concerning operations within the District, a motion was made by Director Verron, seconded by Director Adams to approve the Operator's report as presented by Mr. Kay. The motion carried by unanimous vote.

#### NEW BUSINESS/HIRE AUDITOR

The Board next considered approving engagements letters from Hereford, Lynch, Sellars & Kirkham to prepare (i) the audit for the District's fiscal year ending September 30, 2004 and (ii) the GASB34 audit. Upon motion by Director Verron, seconded by Director Mikel, the Board by unanimous vote approved the above engagement letters and authorized the President of the Board to execute same.

#### OLD BUSINESS

The President of the Board recognized Kenny Allison who requested reimbursement of his costs to develop Cherokee Trace. Mr. Blich stated that the average value of the houses in this subdivision is too low to support a bond issue and if the District were to issue bonds

to reimburse Mr. Allison, Mr. Allison could only be reimbursed 38.95% of his costs if the District is to maintain its current tax rate of \$0.515.

#### OFFICE MANAGER'S REPORT

Ms. Bate next reviewed with the Board the Monthly Benefit Reports for the District's personnel beginning on page 96 of the meeting packet.

Upon a motion duly made and seconded, the Office Manager's report was approved. The motion passed by unanimous vote. A copy of the Office Manager's report is attached hereto as Exhibit "G".

#### DIRECTORS' REPORTS

Director Sparks informed that Board of his March 4, 2004 meeting with Mr. Parker, Director Verron and Mr. Signorelli regarding the feasibility of the District serving 600 acres. No formal action was taken by the Board on this matter.

There being no further business to come before the Board, upon a motion duly made, seconded and unanimously approved, the meeting was adjourned at 8:30 p.m.

PASSED, ADOPTED AND APPROVED this 20th day of April, 2004.

(DISTRICT SEAL)

  
Secretary, Board of Directors