

Termination of Water Service

Consideration was then given to the termination of water service to certain accounts for failure to pay their water bills. At this time, Mr. Ammel presented to the Board a list of proposed terminations. The Board noted that there were no persons present at the meeting to protest their utility bills and/or the termination of water service to their property.

Upon motion made by Director Satterwhite and seconded by Director Dowdy, the Board voted unanimously to authorize termination of water service with the assistance of a peace officer, if necessary, to the accounts listed in the Termination Report, a copy of which is attached hereto.

ENGINEERING/DEVELOPMENT REPORT

The Board recognized Mr. Davis who presented the Engineering/Development Report.

Mr. Davis presented to and reviewed with the Board the plans from Harris County Municipal Utility District No. 249 ("HC 249") for modifications to the HC 249 wastewater treatment plant (to include an emergency generator and new chlorine storage building). Mr. Davis noted that representatives of HC 249 would like to meet with representatives of the District to discuss the proposed modifications.

North Harris County Regional Water Authority ("NHCRWA")/Conversion to Surface Water

Mr. Davis updated the Board on the status of the proposed construction of a surface water transmission line by the NHCRWA along Cypresswood Drive. Mr. Davis also noted that he will advertise for bids in the next few months on the District's chloramine conversion system.

BOOKKEEPER'S REPORT/INVESTMENT REPORT

The Board next recognized Ms. Jarmon, who submitted to and reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto, and certain invoices for payment by the Board. The Board also reviewed with Ms. Jarmon the procedure for closing the District's Construction Projects Account once the District's Construction Project Manager is terminated on July 31, 2009.

Upon motion made by Director Dowdy and seconded by Director Strickland, the Board unanimously voted to (i) approve the Bookkeeper's Report, (ii) approve the Investment Report, as presented, and (iii) to approve the checks presented for payment.

Budget for Fiscal Year Ending July 31, 2010

Ms. Jarmon next presented to and reviewed with the Board a copy of the proposed budget for the fiscal year ending July 31, 2010 (including the parks budget, as revised by Director Dowdy). Mr. Dowdy noted several additional changes to the proposed budget.

Upon motion made by Director Dowdy and seconded by Director Satterwhite, the Board unanimously voted to approve the District's budget for the fiscal year ending July 31, 2010, as amended.

WATER AND SEWER OPERATIONS MANAGER'S REPORT

The Board recognized Ms. Divin, who presented the Water and Sewer Operations Manager's Report.

ATTORNEY'S REPORT

The Board recognized Mr. Kahn, who presented the Attorney's Report.

Minutes of Meetings of June 10, 2009 and June 23, 2009

Proposed minutes of the meetings held June 10, 2009 and June 23, 2009, previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to approve the minutes from the meeting of June 10, 2009, as amended.

The Board deferred approval of the minutes of the meeting held on June 23, 2009.

Hire Auditor to Prepare Audit of District's Records for Fiscal Year Ending July 31, 2009

The Board recognized Mr. Kahn, who presented to and reviewed with the Board proposals from two (2) auditing firms in connection with the District's audit for the fiscal year ending July 31, 2009.

After further discussion regarding the two (2) proposals, upon motion made by Director Dowdy and seconded by Director Stevens, the Board voted unanimously to hire McCall, Gibson, Swedlund & Barfoot, PLLC to prepare the audit of the District's records for the fiscal year ending July 31, 2009.

Issues with Republic Waste

The Board next discussed the letter sent to Republic Waste following the District's June 23, 2009 that included a list of expectations of the District and notified Republic Waste that if such conditions are not met then the District will commence termination proceedings in accordance with its contract with Republic Waste. The Board noted that service has improved since such letter was sent.

PARKS AND RECREATION MANAGER'S REPORT

The Board recognized Mr. Dellinger, who presented the Parks and Recreation Manager's Report. Mr. Dellinger discussed with the Board the installation of various water plants/vegetation in the park.

After further discussion, upon a motion by Director Strickland, seconded by Director Dowdy, the Board voted unanimously to approve the installation of water plants/vegetation in the park, in an amount not to exceed \$6,000.00.

Mr. Dellinger next discussed the possibility of him taking over the District's website. The Board noted that they would be in favor of Mr. Dellinger in charge of the operation, maintenance and updating of both the District's website and the Forest Oaks Swim and Racquet Club website.

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

APPROVED THIS August 12, 2009


Secretary, Board of Directors