

**MINUTES OF MEETING
KLEINWOOD MUNICIPAL UTILITY DISTRICT
HARRIS COUNTY, TEXAS**

June 5, 2009

STATE OF TEXAS
COUNTY OF HARRIS

The Board of Directors (the "Board") of Kleinwood Municipal Utility District (the "District") of Harris County, Texas, met in **special** session, open to the public, on **Friday, June 5, 2009**, at 9:30 a.m. at the District Office, 16530 Kleinwood Drive, Spring, Texas, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Stephen E. Williams	President
Vic Fowler	Vice President & Investment Officer
Robert Ehmann	Secretary/Treasurer
Sherry Allard	Assistant Vice President & Assistant Secretary
Joe Fratangelo	Assistant Secretary

and all of said persons were present, thus constituting a quorum, except Director Fratangelo.

Also present were: Tom Dillard and Phil Halbert with Champions Hydro-Lawn, Inc. ("CHL"); Dick Yale and Maria Salinas Parker of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats|Rose"), Attorney for the District; Bill Blich with SAMCO Capital Markets, Financial Advisor to the District; Roger Schuett, Office Manager; Jon Unterreiner P.E., and Mike Christopher, E.I.T., with Jones & Carter, Inc. ("J&C"), Engineers for the District; and members of the public listed on the attached attendance sheet.

The President called the meeting to order in accordance with notice posted pursuant to law, and the following business was transacted.

DEFERRED AGENDA ITEMS

The Board deferred action on the following agenda items:

- Amend Rate Order, and
- Conversion to Surface Water and issues related thereto.

MAINTENANCE OF DETENTION PONDS IN THE FALLS AT CHAMPION FOREST, CHAMPIONS FALL ESTATES AND CHAMPION WOODS (the "Detention Facilities")

The President recognized Mr. Unterreiner, who reminded the Board J&C was authorized to obtain proposals for maintenance of the Detention Facilities. Pursuant to such authorization, bids

were obtained from CHL and Storm Water Solutions, Mr. Unterreiner continued. (Copies of said proposals are attached hereto). At this time Mr. Unterreiner introduced Messrs. Dillard and Halbert to the Board. Messrs. Dillard and Halbert reviewed with the Board the proposal from CHL, noting that they made a visual inspection of the Detention Facilities. Mr. Dillard added that CHL's proposal provides for periodic inspection of the Detention Facilities for erosion and other related issues. When asked CHL's opinion as to the minimum number of mowings annually of the Detention Facilities, Mr. Dillard responded at least once a month. Mr. Halbert directed the Board's attention to the photographs in CHL's proposal stating that repairs are necessary at the Champion Woods detention pond as well as the detention channel at The Falls at Champions Forest.

In response to a question from the Board, Mr. Dillard stated that the majority of the detention ponds handled by CHL are maintained by the water districts.

The Board then discussed maintaining the Detention Facilities and generally concurred that monthly mowings of the Detention Facilities should be considered.

Mr. Unterreiner then distributed to the Board a comparison of the bids submitted by CHL and Storm Water Solutions.

The Board next addressed providing a letter to the respective owners (homeowner associations) of the Detention Facilities to the effect that the District is willing to consider maintaining the Detention Facilities subject to the owners conveying the Detention Facilities to the District. The Board agreed that their maintenance of the Detention Facilities will not include maintenance/repairs of any amenity features. The Board asked the Attorney to draft a letter to the owners of the Detention Facilities regarding the District's proposal for consideration at a special meeting on Monday, June 15, 2009.

CLOSED SESSION

Upon motion duly made and seconded, the Board voted unanimously to convene in closed session at 11:15 a.m., to discuss pending litigation.

OPEN SESSION

Upon motion duly made and seconded, the Board voted unanimously to re-convene in open session at 11:30 a.m.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.



Robert E. Mann
Secretary, Board of Directors