

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

August 27, 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 **regular session**, open to the public, on **Thursday, August 27, 2009**, at 6:00 p.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.

Also present were: Sara Ahlschlager of Barbara Wheeler & Associates ("Wheeler"), Tax Assessor/Collector for the District; Bill Blich of SAMCO Capital Markets, Financial Advisor for the District; Jon Unterreiner, P.E., and Mike Christopher, E.I.T., of Jones & Carter, Inc. ("Jones & Carter"), Engineer for the District; Karl Skarbozewski of Environmental Development Partners, L.L.C. ("EDP"), Operator for the District; Roger Schuett, Office Manager; Claudia Redden of Claudia Redden of Redden & Associates, Inc., Bookkeeper for the District; John Lightfoot with John Lightfoot Investments, L.P. ("Lightfoot"), developer of Land in the District; Constable Buddy Gheen, Jr., with Harris County Precinct 4 Constable's Office; Richard Fletcher of Arbitrage Compliance Specialists, Inc. ("ACSI"); Maria Parker and David F. Green of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats|Rose"), Attorney 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.

HEAR FROM THE PUBLIC

The President recognized Cindy Mazza, who addressed the Board.

Jim Stephen addressed the Board regarding stormwater drainage behind the Falls at Champion Forest and standing water in the detention pond serving Champion Woods Estates. Mr. Unterreiner stated that the District's Engineer would look into these matters.

Linn Fish addressed the Board regarding traffic issues in the District.

PEACE OFFICER'S REPORT

The President recognized Deputy Gheen, who presented the Peace Officer's Report, a copy of which is attached hereto.

REQUEST FOR REIMBURSEMENT/FLAGSHIP PROPERTIES ("Flagship")

Ms. Parker reported on the status of Flagship's request for reimbursement of its eligible development costs related to the 0.90-acre and 1.12-acre tracts on Louetta Road. Mr. Blich submitted to and reviewed with the Board the Flagship Reimbursement Analysis, a copy of which is attached hereto. He stated that the projected taxable value of the Flagship Tracts for the 2009 tax year totals \$555,832. A taxable value of \$1,163,561 would be necessary in order to support Flagship's portion of the issuance of bonds for the reimbursement, at a tax rate of \$0.47 per \$100 valuation, he told the Board. Based on the taxable value of the Flagship Tracts, he told the Board, Flagship does not qualify for the full amount of the reimbursement pursuant to the terms of the Development and Financing Agreement between the District and FPC/Colonnades Apartments, Ltd.

TAX ASSESSOR/COLLECTOR'S REPORT

The President recognized Ms. Ahlschlager, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report, a copy of which is attached hereto. It was noted that the District has collected 97.94% of its 2008 taxes. The Directors also reviewed and discussed the Delinquent Collections Listing, a copy of which is attached hereto.

Attached hereto as an exhibit is a table prepared by Wheeler that denotes the amount of property tax revenue generated by each of the residential subdivisions in the District.

Then, after discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report and to authorize payment of the checks listed therein.

REQUEST FOR WAIVER OF PENALTIES AND INTEREST

Ms. Ahlschlager then informed the Board that Paul Yetter had requested the waiver of penalties and interest imposed on his delinquent 2008 property taxes owed to the District. Mr. Yetter has claimed that he did not receive a statement from the District for the 2008 property taxes, nor did he receive any prior notice of the taxes being delinquent. Attached hereto as exhibits to these minutes are copies of (1) electronic correspondence dated August 26, 2009, from Ms. Ahlschlager; (2) a letter dated August 26, 2009, to Mr. Yetter from Wheeler; (3) a letter dated August 25, 2009, to Mr. Yetter from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Attorney (called "Perdue Brandon"); and (4) a letter dated August 10, 2009, from Mr. Yetter to Perdue Brandon. Ms. Ahlschlager informed the Board that Wheeler had mailed a 2008 tax statement to Mr. Yetter on October 13, 2008. Ms. Parker remarked that the District does not have the authority to waive penalty and interest on delinquent property taxes, except in cases involving a clerical error by the District or the Harris County Appraisal District.

After discussion, the Board declined to take any action in connection with this matter.

DEVELOPMENT OF CHAMPION FALLS ESTATES, CHAMPION WOODS ESTATES, THE FALLS AT CHAMPION FOREST (herein collectively, the "Falls")

Mr. Green distributed copies of the Development Report for the Falls as prepared by Lightfoot. A copy of the Development Report is attached hereto.

ARBITRAGE REBATE AND PROJECT FUND YIELD RESTRICTION COMPLIANCE

Mr. Fletcher then submitted to and reviewed with the Board the Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program Executive Summary dated July 13, 2009 (the "Summary") as prepared by ACSI in connection with the District's Series 1998 Bonds, Series 2001 Bonds, Series 2003 Bonds, Series 2004 Bonds, Series 2006 Bonds, Series 1991 Refunding Bonds, and Series 1998 Refunding Bonds. A copy of the Summary is attached hereto and shall be considered to be part of these minutes. Mr. Fletcher reported that arbitrage rebate and project fund yield restriction requirements have been satisfied for the Series 1991 Refunding Bonds, Series 1998 Refunding Bonds, Series 2003 Bonds, and Series 2004 Bonds. He stated that the Series 1998 Bonds, Series 2001 Bonds and Series 2006 Bonds are not subject to arbitrage rebate due to the Small Issuer Exception, but said Bonds are subject to yield restriction requirements. ACSI will continue to monitor the project fund rate of return for the Series 1998 and Series 2001 Bonds, and will notify the District of potential liabilities if they start to accrue. Project fund yield restriction will be required if the project fund balance remaining from the Series 2006 Bonds on December 21, 2009, is \$100,00 or greater. ACSI will continue to monitor the project fund rate of return, and will notify the District of potential liabilities if they start to accrue.

Mr. Fletcher stated that ACSI would present an engagement letter to provide arbitrage rebate and yield restriction compliance services on the District's Series 2007 Bonds at a future meeting of the Board.

ATTORNEY'S REPORT

The President recognized Ms. Parker, who presented the Attorney's Report.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Attorney's Report.

MINUTES OF THE MEETING OF JULY 23, 2009

Proposed minutes of the meeting of the Board held on July 23, 2009, previously distributed to the Board, were presented for consideration and approval. Mr. Green directed the Board's attention to revisions to page 6 of the minutes.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of July 23, 2009, as amended.

AGREEMENT CONSOLIDATING AGREEMENTS/KLEIN INDEPENDENT SCHOOL DISTRICT ("KLEIN ISD")

Ms. Parker discussed with the Board the status of the proposed Agreement Consolidating Agreements for Use and Maintenance of Waste Transportation Facilities between

the District and Klein ISD (the "Agreement"). The final form of the Agreement is being submitted to Klein ISD.

ANNUAL REVIEW OF INVESTMENT POLICY

Consideration was then given to conducting a review of the District's Investment Policy. Mr. Green submitted for the Board's review the Approved List of Brokers to be attached as an exhibit to the Resolution Evidencing Annual Review of Investment Policy.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Resolution Evidencing Annual Review of Investment Policy.

RESOLUTION ESTABLISHING PROCEDURES OF NOTIFYING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY OF A SECURITY THREAT (the "Security Resolution")

Consideration was then given to adopting the Security Resolution.

Upon motion duly made and seconded, the Board voted unanimously to adopt the Security Resolution, a copy of which is attached hereto.

RESOLUTION REGARDING USE OF SURPLUS FUNDS WITHOUT FURTHER APPROVAL BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Consideration was then given to adopting a RESOLUTION REGARDING USE OF SURPLUS FUNDS WITHOUT FURTHER APPROVAL BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. Ms. Parker explained that, pursuant to rules of the Texas Commission on Environmental Quality (the "Commission"), the District may use \$672,803 in surplus funds from the District's prior bond issues without further approval of the TCEQ to help fund the following projects: (1) Water Well No. 2 Rework; (2) Lift Station Abandonment; (3) Water Well No. 3 Rework; and (4) Surface Water Chloramine Disinfection Conversion.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to adopt the Resolution, a copy of which is attached hereto and shall be considered part of these minutes.

RESOLUTION REQUESTING APPROVAL OF USE OF SURPLUS FUNDS

Consideration was then given to adopting a RESOLUTION REQUESTING APPROVAL OF USE OF SURPLUS FUNDS in the amount of \$719,176 in connection with the following projects: (1) Water Line Extension; (2) Lift Station; (3) Gravity Line and Force Main; and (4) Sanitary Sewer Line Extension.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) adopt the Resolution; and (2) authorize the District's Engineer to submit the Application for Use of Surplus Funds to the TCEQ with a request for expedited review of same. A copy of the Resolution is attached hereto and shall be considered part of these minutes.

MAINTENANCE OF DETENTION PONDS

The Board discussed matters relating to the maintenance of the detention ponds (the "Detention Ponds") serving The Falls and Champion Woods Estates. Ms. Parker reported that

she, Mr. Unterreiner and Director Allard had met with representatives of the homeowner associations for The Falls and Champion Woods Estates (the "Associations") to discuss the proposed agreements by which the District would assume responsibility for maintenance of the drainage and storm water quality features of the Detention Ponds. The Board discussed matters relating to the Detention Ponds again later in the meeting.

LEGISLATIVE SUMMARY/81ST TEXAS LEGISLATURE

Ms. Parker submitted to and reviewed with the Board a memorandum prepared by the District's Attorney that summarizes certain bills approved by the 81st Texas Legislature that could affect water district operations. A copy of the memorandum is attached hereto as an exhibit to these minutes.

KLEINWOOD MAINTENANCE FUND ("KMF")/SWIMMING POOL REPAIRS

Ms. Parker submitted to and reviewed with the Board a letter dated August 13, 2009, from KMF, requesting that the District contribute to the cost for certain maintenance and repairs to the swimming pool (the "Pool Repairs"). A copy of the letter is attached hereto as an exhibit to these minutes. Ms. Parker noted that KMF is specifically requesting that the District cover the cost to purchase replacements for the three pool filters, at an estimated cost of \$9,187 to \$10,927. Discussion ensued regarding the Pool Repairs.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) authorize the payment to KMF of an amount up to \$11,000 in connection with the replacement of the Pool Filters; and (2) direct the District's Attorney to draft a letter to the KMF regarding the District's contribution for the Pool Repairs, and to include in said letter a request from the Board that the KMF include in its future operating budgets a line item for future Pool Repairs.

DEVELOPMENT REPORTS/REQUESTS FOR SERVICE

The President recognized Mr. Unterreiner, who reported on the status of various developments in the District as follows:

1. **Hilliard Tract/Meyer Park Office Condominiums**. Mr. Unterreiner reported that Ms. Hilliard had cleared her property.
2. **Lightfoot Office Building**. Mr. Unterreiner reported that Jones & Carter has approved the revised plans for this project.
3. **Midas International Corporation ("Midas")**. Mr. Unterreiner reported that Jones & Carter is working to have the Storm Water Quality feature built and permitted for the detention pond in Champion Falls Estates that serves the Midas tract. The contractor ordered the materials for the Storm Water Quality feature and should commence construction soon.
4. **Zaxby's Chicken Dinner Restaurant ("Zaxby's")**. Mr. Unterreiner reported that Jones & Carter has received the necessary easements, the recorded plat, and the plans for the public sanitary sewer line as approved by the City of Houston (the "City"). Jones & Carter approved the plans and requested that the engineer for Zaxby's contact Jones & Carter for an inspection of the constructed facilities. Zaxby's has agreed to remove and replace the sanitary

sewer line and re-grade the detention pond. It is Jones & Carter's understanding that the project will commence within 30 days.

5. **Klein ISD.** Mr. Unterreiner reported that Jones & Carter has approved the plans for the utilities to serve the new building.

ENGINEER'S REPORT

The President recognized Mr. Unterreiner, who presented the Engineer's Report as follows:

1. **Champion Woods Estates Utilities.** Mr. Unterreiner reported on the construction of the water supply, sanitary sewer, and drainage facilities (the "Champion Woods Utilities") by Clearwater Utilities, Inc. ("Clearwater"). The contractor has completed all punch list items and the project has been approved by Harris County. Clearwater has submitted Pay Estimate No. 10 and FINAL in the amount of \$5,000. Mr. Unterreiner presented the Board with the Certificate of Acceptance for the Champion Woods Utilities.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) approve payment of Pay Estimate No. 10 and FINAL; and (2) authorize execution of the Certificate of Acceptance. Copies of the aforementioned documents are attached hereto.

2. **HEB Lift Station Abandonment.** Mr. Unterreiner reported on the status of the abandonment of the old HEB Lift Station by G & N Enterprises. The project is complete, and Jones & Carter is coordinating with Centerpoint Energy Houston Electric, LLC ("Centerpoint"), and the District's Bookkeeper to close the electricity service account for the facility.

3. **Stuebner-Airline Utilities.** Mr. Unterreiner reported that Jones & Carter is finalizing the design for the Stuebner-Airline utilities, and is working with Coats|Rose to acquire the final easements along Cypresswood Drive. Jones & Carter will submit the plans for final approval once the easements have been recorded.

4. **Water Line Across Bubbles Car Wash.** Mr. Unterreiner reported that Jones & Carter received comments from all review agencies. Said comments are being addressed and the design is being finalized.

5. **North Harris County Regional Water Authority ("NHCRWA") Coordination.** Mr. Unterreiner reported that Jones & Carter is coordinating all necessary items for the surface water conversion.

6. **Smoke Testing and Televised Inspection of Sanitary Sewer Lines.** The Board noted that there was nothing new to report in connection with this matter.

7. **Surplus Funds.** Mr. Unterreiner submitted to and reviewed with the Surplus Funds Summary prepared by Jones & Carter that lists the surplus funds available from the District's bond issues, and the potential projects to be reimbursed by surplus funds.

8. **NHCRWA/Chloramine Conversion.** Mr. Unterreiner discussed with the Board the status of the conversion to a chloramine disinfection system at the District's water plants (the "Conversion") by Long & Son, Inc. ("Long"). The contractor has completed most of the underground plumbing at both water plants and is waiting for the doors for the liquid ammonium

sulfate (LAS) building for Water Plant No. 1 to arrive. Long will begin installation of the LAS system once the doors are installed. Long has submitted Pay Estimate No. 1 in the amount of \$40,185.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize payment of Pay Estimate No. 1.

9. **Auxiliary Generators.** Mr. Unterreiner reported that Jones & Carter is looking into options for dual-fuel auxiliary generators at the District's facilities (the "Generators"). Jones & Carter is coordinating with the District's Operator with regard to investigating options for the Generators.

10. **Water Plant and Lift Station Inspections.** Mr. Unterreiner reported that the inspections are complete. The deficiencies noted during the inspections are being addressed by the District's Operator.

11. **Centerpoint Critical Load List.** Mr. Unterreiner reported that Centerpoint has accepted the District's facilities being classified as critical loads.

12. **Harris-Galveston Subsidence District ("HGSD") Permit.** Mr. Unterreiner reported that HGSD has requested payment for the amendment to the District's groundwater pumpage permit for additional groundwater pumpage of 80 millions gallons during the permit period. Jones & Carter recommends payment of \$1,360 to HGSD.

13. **Water Plant No. 1 Storm Sewer Repairs.** Mr. Unterreiner submitted to and reviewed with the Board the Recommendation of Award for the Water Plant No. 1 Storm Sewer Repairs (the "Sewer Repairs") as prepared by Jones & Carter. A copy of the Recommendation of Award is attached hereto as an exhibit to these minutes. Mr. Unterreiner reviewed the Bid Tabulation that is attached to the Recommendation of Award and noted that Scohil Construction Services, LLC ("Scohil"), submitted the lowest base bid in the amount of \$28,250.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to award the contract for the Sewer Repairs to Scohil.

14. **Detention Ponds/Champion Woods Estates and The Falls.** Mr. Unterreiner reported that Jones & Carter is assisting the District's Attorney with the preparation of agreements with the homeowner associations for the maintenance of the Detention Ponds serving serving The Falls at Champion Forest, Champion Falls Estates, and Champion Woods Estates.

15. **Stormwater Drainage/Annola Lane.** Mr. Unterreiner remarked that District resident Natalie Carter had notified the District of stormwater drainage problems in her back yard due to construction of the Detention Pond for The Falls. Jones & Carter is working with the homeowners association for The Falls to clean up the swales.

16. **Emergency Preparedness Plan (the "EMP").** Mr. Unterreiner reported that the TCEQ is scheduled to release the EMP requirements on December 1, 2009. Jones & Carter is evaluating the District's ability to meet the new power requirements.

17. **Water Production & Treatment Costs.** Mr. Unterreiner reported that Jones & Carter had provided the District's Bookkeeper with an estimate of the District's cost to produce and treat drinking water (the "Cost Estimate"). A copy of the Cost Estimate is attached hereto as an exhibit to these minutes.

Upon a motion duly made and seconded, the Board voted unanimously to accept the Engineer's Report, a copy of which is attached hereto.

PUBLIC DRINKING WATER CONFERENCE

Director Fowler reported on the Public Drinking Water Conference conducted by the TCEQ in Austin on August 11-12, 2009.

OPERATOR'S REPORT

The President recognized Mr. Skarbozewski, who submitted to and reviewed with the Board the Operator's Report as follows:

1. **Water Plant Operations.** Mr. Skarbozewski reported that the billed to pumped ratio for the prior month was 90.9% and that the District has a total connection count of 775.

2. **System Repairs.** Mr. Skarbozewski reported that the District's Operator had replaced 23 residential water meters that had registered usage of more than 1,000,000 gallons. EDP repaired two service line leaks and installed a new sanitary sewer service that was backcharged to the builder. EDP replaced a driveway at 7726 Friars Court following repairs to a main water line leak, and made repairs to a main water line leak at 7903 Fox Crossing.

3. **Water Accountability.** Mr. Skarbozewski reported that EDP has authorized G-M Services, Inc. ("G-M"), to test the meters on the District's water wells, as well as the meter on the connection with the NHCRWA. The three water well meters are registering accurately, and the NHCRWA meter is registering accurately at flows above 300 gallons per minute ("gpm"). Very low flows are not being measured accurately. Accurate Meter Services has performed accuracy testing of all commercial water meters in the District and has submitted a report to the District's Operator. EDP will evaluate the report and present a list of recommendations. EDP completed its survey of the storm sewer outfalls in the District. No leaks were found as a result of the survey.

Discussion ensued regarding the billed to pumped ratio. The Directors agreed to consider authorizing a water loss audit at the Board's meeting on September 24, 2009.

4. **Lift Station No. 2.** Mr. Skarbozewski reported that replacement of the level controller for Lift Station No. 2 is scheduled for the following week.

5. **Lift Station No. 3.** Mr. Skarbozewski reported that the replacement Autodialer for the Lift Station No. 3 has been ordered.

Then, after discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Operator's Report, a copy of which is attached hereto.

TERMINATION OF SERVICE

Consideration was then given to the termination of water and sewer service to certain accounts. The President recognized Mr. Skarbozewski, who advised the Board that the requisite notifications had been given to each customer and that each customer was advised of the date, time and place of the meeting which they may attend to discuss termination of service. The Board noted that there were no customers present to protest the utility billings.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate the water and sewer service to those accounts listed on the termination list attached hereto.

REQUEST FOR ADJUSTMENT TO SERVICE ACCOUNT

Mr. Skarbozewski reported that the District's Operator had received a letter from Ernest Linebecker, who (1) claimed that his water meter was not recording accurately; and (2) is requesting an adjustment to his utility service account. Mr. Skarbozewski remarked that EDP checked the water meter on Mr. Linebecker's water service line and determined that it was 99% accurate.

The Board declined to take any action in connection with this matter.

REPORT ON OPERATION OF DISTRICT OFFICE

The President recognized Mr. Schuett, who submitted to and reviewed with the Board the report concerning the District Office (the "Office Report"), a copy of which is attached hereto.

After review, upon a motion duly made and seconded, the Board voted unanimously to accept the Office Report.

BOARD OF DIRECTORS MEETINGS

Consideration was then given to changing the time of future regular Board meetings.

After discussion, the Directors agreed to meet at 5:30 p.m. on the fourth Thursday of each month to review the checks being presented for payment, with consideration of agenda items to follow at 6:00 p.m.

BOOKKEEPER'S REPORT

Ms. Redden then reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto, and certain invoices for payment by the Board. The Board also reviewed the Investment Report.

Then, upon a motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, and to authorize payment of the checks listed therein.

OPERATING BUDGET FOR FISCAL YEAR ENDING AUGUST 31, 2010 (the "Operating Budget")

Consideration was then given to adopting the Operating Budget. Ms. Redden submitted to and reviewed with the Board the draft Operating Budget, a copy of which is attached hereto.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to adopt the Budget.

DEVELOPER DEPOSIT/ZAXBY'S

Consideration was then given to establishing a separate banking account for the developer deposit placed with the District for Zaxby's.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Bookkeeper to establish a separate developer deposit account for Zaxby's.

KMF

Director Ehmann reported on the activities of the KMF.

KLEINWOOD JOINT POWERS BOARD ("KJPB")

Director Williams reported on the activities of the KJPB. He informed the Board that the TCEQ is pursuing an enforcement action against the KJPB in connection with wastewater permit excursions at the Kleinwood Joint Wastewater Treatment Plant (the "Plant"). Attached hereto as exhibits to these minutes are copies of (1) a letter dated July 9, 2009, to Southwest Water Company, the operator for the Plant, from Mark Brooks of Young & Brooks, Attorneys at Law, the attorney for the KJPB; and (2) a letter dated July 3, 2009, to the KJPB from the TCEQ, transmitting the draft Agreed Order prepared in connection with the enforcement action.

NHCRWA

Mr. Green distributed copies of a memorandum from Coats|Rose regarding the August 3, 2009, meeting of the NHCRWA board of directors. A copy of the memo is attached hereto.

MAINTENANCE OF DETENTION PONDS

The Directors continued their discussion on matters relating to the maintenance of the Detention Ponds serving The Falls and Champion Woods Estates. Ms. Parker submitted for the Board's review the following documents prepared by the District's Attorney and Engineer: (1) a draft letter to the District's customers from the Board regarding certain issues pertaining to the maintenance of the Detention Ponds (the "Letter"); (2) a list of Frequently Asked Questions (the "FAQ List") pertaining to the Detention Ponds; and (3) an information sheet regarding the function of the Detention Ponds and the legal requirements for maintaining the storm water quality features of same (the "Information Sheet"). Discussion ensued regarding the aforementioned documents. The Directors suggested certain revisions to the Letter and the FAQ List.

After discussion, upon a motion duly made and seconded, the Board voted 3 to 2, with Directors Fratangelo, Ehmann, and Allard opposed, and Directors Williams and Fowler in favor, of (1) distributing the Letter to the District's customers; (2) posting the Letter on the District's web site (the "Web Site"); and including the FAQ List and the Information Sheet with the utility bills sent to the District's customers. The motion failed for lack of a majority.

Then, after further discussion, upon a motion duly made and seconded, the Board voted 4 to 1, with Directors Williams, Fowler, Ehmann, and Allard in favor, and Director Fratangelo opposed, to (1) post the FAQ List and Information Sheet on the Web Site; and (2) include a message on the utility bills, referring the District's customers to the Web Site to obtain information on the District.

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

Approved this 24 September 2009.

Robert Ehmann
Secretary, Board of Directors

