

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

29 December 2011

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 29 December 2011 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:

Robert Ehmann	President
Sherry Allard	Vice President
Joe Fratangelo	Secretary/Treasurer
Bernie Bryl	Assistant Vice President & Assistant Secretary
Mike Morgan	Assistant Secretary & Investment Officer

and all of said persons were present with the exception of Director Ehmann, thus constituting a quorum.

Also present were: Claudia Redden representing Claudia Redden & Associates, L.L.C., the District's Bookkeeper; Ryan Fortner of Barbara Wheeler & Associates, Inc. ("Wheeler"), representing Barbara Wheeler, the Tax Assessor/Collector for the District; Jon Unterreiner, P.E., of Jones & Carter, Inc. ("J&C"), Engineer for the District; Andy Phelps of Environmental Development Partners, L.L.C. ("EDP"), Operator for the District; Roger Schuett, Office Manager for the District; Dick Yale and David Green of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats Rose"), Attorney for the District; and Ray Cicconi, a resident of the District.

Director Allard called the meeting to order.

PROPOSED SALES TAX AUDIT

Next, Mr. Fortner discussed with the Board a proposed program for auditing sales tax collections in connection with the limited purpose annexation of commercial property in the District under the Strategic Partnership Agreement (the "SPA") between the District and the City of Houston (the "City"). Mr. Fortner explained that under the program, the Sales Tax and Revenue Tracking division of Wheeler ("START") would: (1) conduct a comprehensive review of all businesses located in the District and list every business that is reporting the collection of sales tax; (2) prepare a detailed map of the District denoting the location of the businesses; (3) prepare and submit a detailed report on each business in the District, including their tax identification number and their location number, to the City and to the Texas Comptroller; and (4) prepare and submit to the District a quarterly or semiannual report regarding the businesses (the "Reports"). Mr. Fortner submitted to and reviewed with the Board an information sheet regarding the START program. A copy of the information sheet is attached hereto. He then provided the Directors with copies of Reports prepared for other water district clients of Wheeler. He explained that Wheeler could provide the Reports on a quarterly or semi-annual

basis. The Directors expressed their preference for the Reports to be prepared on a semiannual basis. Mr. Fortner stated that Wheeler would prepare a proposal for the START program for consideration at a future meeting of the Board.

TAX ASSESSOR/COLLECTOR'S REPORT

The Vice President recognized Mr. Fortner, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report. A copy of the Tax Assessor/Collector's Report is attached hereto. It was noted that the District had collected 97.6% of its 2010 taxes and 8.1% of its 2011 taxes. The Directors also reviewed and discussed the Delinquent Collections Listing, a copy of which is attached hereto. Mr. Fortner noted that Wheeler was requesting approval for nine checks written on the District's tax account, said checks including a transfer of \$19,341.60 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$61,856.07 to the Debt Service Fund.

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 INSTALLMENT AGREEMENT

Next, Mr. Fortner informed the Board that Janice Taylor had requested an installment agreement for the payment of delinquent property taxes owed to the District. He reviewed with the Board a letter dated 25 December 2011 from Ms. Taylor, a copy of which is attached hereto. Mr. Fortner noted that Ms. Taylor desires to pay the balance of the delinquent taxes in four equal monthly payments.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Delinquent Tax Attorney to offer an Installment Agreement to Ms. Taylor as described above.

DELINQUENT TAX REPORT

Mr. Fortner then submitted for the Board's review the Delinquent Tax Report as prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Attorney. A copy of the Delinquent Tax Report is attached hereto.

MINUTES OF THE MEETING OF 1 DECEMBER 2011

The minutes of the meeting of the Board held on 1 December 2011, previously distributed to the Board, were presented for consideration and approval. Mr. Green remarked that a duplicate paragraph on page 5 of the minutes would be deleted.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 1 December 2011, as amended.

PEACE OFFICER'S REPORT

Mr. Green distributed copies of the Peace Officer's Report as prepared by the Harris County Precinct 4 Constable's Office (the "Constable's Office"). A copy of the Peace Officer's Report is attached hereto.

DEVELOPMENT REPORT

Mr. Green distributed copies of the Development Report as prepared by John Lightfoot Investments, L.P. ("Lightfoot"), regarding the status of development in The Falls at Champion Forest, Champion Falls Estates (collectively, the "Falls") and Champion Woods Estates ("Champion Woods"). A copy of the Development Report is attached hereto.

DEVELOPMENT REPORTS/REQUESTS FOR SERVICE

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

1. **Regency Center / Akaihi Japanese Restaurant (the "Restaurant")**. Mr. Unterreiner stated that J&C had reviewed and approved the plans for the Restaurant.

2. **Stuebner Airline Veterinary Clinic (the "Veterinary Clinic")**. Mr. Unterreiner reported that the owners of the property are proceeding with the design of the Veterinary Clinic.

ENGINEER'S REPORT

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

1. **Stuebner Airline Utilities**. The Directors discussed the matters relating to the contract with AR Turnkee Construction Company, Inc. (called "AR Turnkee") for construction of the Stuebner Airline utilities. Mr. Unterreiner reported that AR Turnkee had hydro-mulched the areas of the water line and sanitary sewer line easements and the right-of-way on the Stuebner Airline tracts (the "Easements") that have not established grass. He stated that the project would not be closed out until the grass is established in the Easement areas. Mr. Unterreiner remarked that the remainder of the punch list items are complete with the exception of issues and landowner claims pertaining to: (1) the tract of land owned by Janet Wahrenberger (the "Wahrenberger Tract"); (2) the Veterinary Clinic tract; and (3) the tract of land on Stuebner Airline Road (the "Archdiocese Tract") that is owned by the Archdiocese of Galveston-Houston (the "Archdiocese").

With regard to the Wahrenberger Tract, Mr. Unterreiner reported that AR Turnkee's insurance agent is investigating Ms. Wahrenberger's claim regarding damage that was allegedly caused by AR Turnkee to a truck that was parked on the Wahrenberger Tract.

The Directors next discussed matters relating to the Veterinary Clinic Tract. Mr. Unterreiner reported that the owners of the Veterinary Clinic Tract had executed a Full and Complete Release and Indemnity Agreement with the District in exchange for the settlement check in the amount of \$10,296 for the replacement of the trees. A copy of the Release is attached hereto and shall be considered to be part of these minutes.

Then the Board discussed matters relating to the Archdiocese Tract. Mr. Unterreiner stated that the District's Engineer and Attorney had not received a response from the Archdiocese regarding the excess tree clearing on the Archdiocese Tract. He added that the District's Engineer and Attorney are coordinating the necessary actions to protect the District from future claims that might be filed by the Archdiocese after the project is closed.

Mr. Unterreiner then reported that the District's Engineer is working with the District's Attorney to notify the property owners along Cypresswood Road that (1) the Stuebner Airline utilities are complete; and (2) the property owners can begin the process of dismantling their private water wells and connect to the District's water distribution system.

2. **Sanitary Sewer Cleaning and Televising (2011)**. Mr. Unterreiner reported on the status of the cleaning and televised inspection of sanitary sewer lines (the "Inspection") in the residential areas of the District by Quality Pipe Services, Inc. ("QPS"). He stated that the Inspection is complete and that J&C is reviewing the videos of the Inspection. Mr. Unterreiner remarked that the District's Engineer would present a report at the Board's meeting in February 2012.

3. **Water Plant Improvements**. Mr. Unterreiner discussed with the Board the status of the Contract with Blastco Texas, Inc. ("Blastco") for improvements at Water Plant Nos. 1 and 2 (the "Water Plant Improvements"), consisting of: (1) recoating the interior and top-coating the exterior of the three hydropneumatic tanks (the "HPTs") at Water Plant No. 1; (2) recoating the interior of the 10,000-gallon HPT at Water Plant No. 2; and (3) recoating the booster pump discharge heads at Water Plant Nos. 1 and 2. Mr. Unterreiner stated that Blastco had completed the recoating work at Water Plant No. 2 during the previous week and that Water Plant No. 2 had been returned to service.

Mr. Unterreiner reported that Blastco had submitted Pay Estimate No. 3 in the amount of \$6,750.00 in connection with the Water Plant Improvements. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize payment of Pay Estimate No. 3. A copy of Pay Estimate No. 3 is attached hereto as an exhibit to these minutes.

4. **Ground Storage Tank Inspections (the "GST Inspections")**. Mr. Unterreiner discussed with the Board the proposed GST Inspections at Water Plant Nos. 1 and 2. He stated that the interior of the ground storage tanks (the "GSTs") at both water plants need to be inspected in order to evaluate the corrosion that was noted during the previous year's inspection. Mr. Unterreiner remarked that the GST Inspections would require more than one site visit because only one GST can be removed from service at a time. He estimated the cost for the GST Inspections at approximately \$3,000.

Mr. Unterreiner remarked that the District's Engineer had viewed the interior of the GST at Water Plant No. 2 during the previous week when the facility was removed from service for the recoating of the HPT. The cursory inspection indicated continued corrosion of the bolt connectors on the GST floor as indicated in the previous year's inspection, he told the Board. Mr. Unterreiner reported that J&C coordinated with EDP to pressure wash and remove the sediment that had accumulated on the GST floor. Mr. Unterreiner proposed that the interior of the GST at Water Plant No. 2 be monitored on an annual basis, with the goal of removing the contaminants that cause the corrosion before they can cause corrosion to an extent that would require recoating the interior of the GST.

Mr. Unterreiner then recalled that a previous inspection of the GSTs at Water Plant No. 1 had indicated pitting and corrosion of the interior walls. He noted that the bids for the Water Plant Improvements included alternate bid items for the recoating of the interior of the GSTs at Water Plant No. 1. The prices for those alternate bid items were not considered to be competitive, he continued, and the Board at that time opted to proceed with recoating on the base bid items, consisting of the HPTs and the booster pump discharge heads. Mr. Unterreiner

proposed to evaluate the current condition of the interior of the GSTs at Water Plant No. 1 and bring recommendations to the Board's meeting on 26 January 2012.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Engineer to (1) proceed with the GST Inspections; and (2) conduct the GST Inspection at Water Plant No. 2 on an annual basis.

5. **Water Monitoring and Operations Plan (the "Operations Plan")**. The Board discussed the status of the Operations Plan being prepared by the District's Engineer. Mr. Unterreiner reported that the District's Engineer had addressed the comments from the District's Operator regarding the Operations Plan. He stated that the Operations Plan should be finalized prior to the Board's meeting on 26 January 2012.

6. **Water Plant No. 1 & 2 / Control Upgrades**. The Board discussed the contract with NTS Pumps, Motors & Controls ("NTS") for the installation of control upgrades (the "Control Upgrades") at Water Plant Nos. 1 and 2 in order to improve redundancy in the controls and alarms. Mr. Unterreiner provided the Board with execution drafts of the contract for the Control Upgrades (the "Control Upgrades Contract"). Director Allard then executed the Control Upgrades Contract. Mr. Unterreiner reported that NTS is scheduled to begin the installation of the Control Upgrades in January 2012.

7. **Dead Trees in Champion Woods Estates Subdivision**. Mr. Unterreiner reported that J&C had notified Lightfoot regarding the dead pine trees located in (1) the landscape reserve adjacent to Water Plant No. 2; and (2) the landscape reserve located at the corner of the detention pond serving Champion Woods Estates Subdivision.

8. **Chloramine Conversion at Water Plants / One-year Warranty Inspection (the "Warranty Inspection")**. Mr. Unterreiner reported that the Warranty Inspection had been conducted on the chloramine conversion at Water Plant Nos. 1 and 2 (the "Conversion Project") by Long & Son, Inc. (called "Long"). He stated that Long is addressing the punch list items that were noted during the Warranty Inspection.

ATTORNEY'S REPORT

The Vice President recognized Mr. Yale, who presented the Attorney's Report. He submitted to and reviewed with the Board a memorandum from the District's Attorney regarding the status of certain ongoing matters for the District. A copy of the memorandum is attached hereto as an exhibit to these minutes.

HOUSE BILL 257 AND SENATE BILL 1 / UNCLAIMED PROPERTY

Next, Mr. Yale submitted to and reviewed with the Board a memorandum from the District's Attorney regarding House Bill 257 ("HB 257") as approved by the 82nd Texas Legislature (2011 Regular Session) and modified by Senate Bill 1 ("SB 1") as approved by the 82nd Texas Legislature (2011 Special Session). A copy of the memorandum is attached hereto as an exhibit to these minutes. Mr. Yale explained that HB 257 changes (1) the dormancy period for certain property types; and (2) the due dates for Texas unclaimed property reporting and delivery. He remarked that HB 257 reduces the dormancy period for money orders from seven years to three years and the dormancy period for checking accounts, savings accounts, and certificates of deposit from five years to three years. HB 257 had provided for an 18-month dormancy period for utility deposits instead of three years, he told the Board. However, he

continued, SB 1 amended the dormancy period for utility deposits to one year. Mr. Yale stated that although the effective date of the dormancy period changes is 1 September 2011, the changes would not be enforced until the 2012 reporting cycle because the 30 June 2011 deadline date for report preparation has already passed and data has already been evaluated and reported as of November 2011. Mr. Yale then reported that HB 257 changes the reporting due date to 1 July of each year for any unclaimed properties held on 1 March on that year. The effective date for the new reporting deadline is 1 January 2013, he told the Board.

CHANGE OF DATE OF DIRECTORS ELECTION

The Directors next discussed matters relating to the ORDER CHANGING DATE OF DIRECTORS ELECTION as adopted by the Board on 27 October 2011 for the purpose of (1) changing the date of the District's Directors Election from the uniform election date in May in even-numbered years to the uniform election date in May in odd numbered years; (2) extending the Directors' terms of office that are expiring in May 2012 to May 2013; and (3) extending the Directors' terms of office that are expiring in May 2014 to May 2015. Mr. Yale reported that the District's Attorney had submitted the Order to the U.S. Department of Justice (the "DOJ") for pre-clearance as a change in voting procedures relating to rescheduling the 12 May 2012 Directors Election. He then submitted to and reviewed with the Board a letter dated 22 December 2011 from T. Christian Herren, Jr., Chief of the Voting Section of the DOJ, stating that the U.S. Attorney General does not interpose any objection to the changes as specified in the Order. A copy of the letter is attached hereto as an exhibit to these minutes. Mr. Yale cautioned the Board that the failure of the Attorney General to object to the changes as specified in the Order does not bar subsequent litigation to enjoin the enforcement of said changes.

ANNEXATION OF STUEBNER AIRLINE TRACTS

Next, the Board discussed the proposed annexation of the Stuebner Airline tracts. Mr. Yale reported that the District's Attorney had prepared the annexation petitions for submission to the owners of the Veterinary Clinic Tract, as well as the lienholder consent instruments for execution by Charles O'Pry, Judith O'Pry, and Amy Suzanne O'Pry Pulcher.

CYPRESSWOOD TRACTS

The Directors then discussed matters relating to certain tracts located on Cypresswood Drive (the "Cypresswood Tracts") that are owned by Kwik Industries, Inc., Landmark Industries LTD, J&MB, LP, and P&M Tankers, Inc. Mr. Yale reported that to date the District's Attorney had forwarded notices to three of the Cypresswood landowners regarding the timing and procedures for connecting to the District's water supply system.

STRATEGIC PARTERSHIP AGREEMENT

The Board then discussed matters relating to the limited purpose annexation of commercial property in the District under the SPA between the District and the City. Mr. Yale reported that the District's Attorney had coordinated with J&C and Wheeler to prepare materials required for the proposed amendment to the SPA to include certain areas that were not previously eligible for inclusion in the limited purpose annexation. The materials were submitted to the City on 14 December 2011, he told the Board. Mr. Yale noted that the completion of the SPA amendment process is scheduled for Spring 2012. He explained that public hearings regarding the SPA amendment would be scheduled within the District upon receipt of the SPA

amendment from the City. Mr. Yale informed the Board that the SPA amendment must be translated into four languages, including English, prior to the public hearings.

CONTRACT FOR ELECTRIC SERVICE (the "Electricity Contract")

Mr. Yale next reported that the District's Attorney had conferred with Bob Wooten of Tradition Energy ("Tradition") regarding possible strategies to reduce the District's cost for electric service, including the possible negotiation of a lower rate from Hudson Energy in exchange for an extension of the term for the Electricity Contract. Mr. Yale stated that Tradition had proposed that the Board approve a Letter of Authorization and an Energy Procurement Advisory Agreement to enable Tradition to proceed with the required analysis. A discussion ensued regarding the Electricity Contract. Mr. Yale stated that Mr. Wooten had estimated that the District could realize a savings of up to \$21,000 during a two-year period through a "blend and extend" arrangement on the current Electricity Contract.

The Directors expressed their desire for Mr. Wooten to attend a future meeting of the Board to answer questions from the Board relating to the Electricity Contract. The Directors then deferred action regarding the Letter of Authorization and an Energy Procurement Advisory Agreement to a future meeting of the Board.

ADDENDA TO COMMERCIAL LANDSCAPE MAINTENANCE CONTRACTS

Next, consideration was given to approving Addenda to two Commercial Landscape Maintenance Contracts (the "Maintenance Contracts") between the District and Summit Landscape Services, Inc. ("Summit"). Mr. Yale remarked that the Addenda would increase the monthly cost to the District under each of the Maintenance Contracts to \$768.75 and \$802.60, representing a 2.5% increase for each of the Maintenance Contracts.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Addenda and to authorize Director Allard to execute same. Copies of the Addenda as approved by the Board are attached hereto as exhibits to these minutes.

GROUNDWATER CREDITS / HARRIS-GALVESTON SUBSIDENCE DISTRICT ("HGSD")

The Board discussed matters relating to the sale of the District's accumulated groundwater credits (the "Credits"). Mr. Green reported that the District's Attorney had completed the sale of Series B Credits in the amount of 3,750,000 gallons (a portion of Certificate B-5396) to Southwest Shipyard, L.P., in the total amount of \$3,750.

OPERATOR'S REPORT

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

1. **Water Plant Operations.** Mr. Phelps reported that the billed to pumped ratio for the prior month was 86.3% and that the District has 845 service connections, including seven vacant single-family residences. He noted that surface water received from the North Harris County Regional Water Authority (the "NHCRWA") accounted for 75% of the water distributed to the District's customers during November 2011.

2. **Utility Operator's Report.** Mr. Phelps reviewed with the Board the utility billing summary, accountability report, subsidence district report, NHCRWA fee report, and the 60-day delinquent list, as shown in the Operator's Report attached hereto.

A. **Substantial System Repairs.**

7626 Friars Court	Service line leak	\$ 1,554.36
7602 Heathrow	Service line leak	1,713.39
16307 Fox Crossing	Service line leak	1,314.84
7727 Litchfield	Service line leak	4,384.38
7622 Friars Court	Service line leak	1,167.72

B. **Klein Independent School District ("KISD") Meter and Water Line Extension.** Mr. Phelps reported that KISD had placed the water line extension and meter in service and that both are operating satisfactorily. He added that in January 2012 the District's Operator would remove the old water meter from service. Mr. Phelps noted that, as reported at the Board's meeting on 1 December 2011, EDP made repairs to the main water line leak at the intersection of Lyons School Road and Louetta Road. He remarked that the response and repair by EDP are considered to be a warranty issue to be addressed by KISD's contractor, and accordingly there would be no charge to the District.

C. **Water Line Survey.** Mr. Phelps reported that EDP is working to complete the authorized repair of eight valves on the District's water distribution system.

D. **Water Bill Statement.** Mr. Phelps reported on the revisions to the format of the monthly statements sent to the District's customers for water service (the "Statements") to improve readability and to include (1) information regarding the NHCRWA fee; and (2) a 12-month history of water usage. He provided the Directors with copies of the revised Statement.

E. **Sanitary Sewer Line at Squyres Road and Heathrow.** Mr. Phelps reported that Tackle Construction Co., Inc., had completed the repair of the collapsed sanitary sewer line (the "Sewer Line Repairs"). He informed the Board that the project was less time intensive than anticipated. Final invoicing on the Sewer Line Repairs is pending, he continued, but the total cost is expected to be less than \$10,000.

F. **Water Utility Repairs in a Harris County Right-of-Way.** Mr. Phelps reported that on 12 September 2011 Harris County (the "County") had issued to EDP and a water district client of EDP a Notice of Violation of the Rules of Harris County for performing a water line repair in a County right-of-way (the "ROW") without first obtaining a Notification Permit from the County. He explained that the incident involved an emergency repair to a water line performed on 1 September 2011 that required EDP to excavate within the ROW and to remove a portion of the roadway. Mr. Phelps stated that EDP has contacted the Association of Water Board Directors – Texas (the "AWBD") regarding this matter. He reviewed with the Board a letter dated 27 December 2012 from EDP to the AWBD, a copy of which is attached hereto. The letter expresses EDP's understanding that Section 49.220 of the Texas Water Code grants water districts and their agents the authority to perform repairs within the road right-of-way without seeking approval from the County or obtaining any permit, he told the Board. Mr. Phelps stated that if the requirement for the Notification Permit is strictly enforced, the result would be: (1) a significant increase in repair costs; and (2) a significant delay in performing necessary repairs.

He also noted that in recent conversations with the County's Public Infrastructure Department, the County has maintained their position that any water line or sewer line repair requiring the disturbance of soil within a ROW may be performed only after a Notification Permit has been obtained. Furthermore, he continued, the County has indicated that they may seek to obtain enforcement in court for failure to obtain a Notification Permit, including fines or imprisonment.

TERMINATION OF SERVICE

Consideration was then given to the termination of water and sewer service to certain delinquent accounts. The Vice President recognized Mr. Phelps, 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 Board meeting which they could 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.

REPORT ON OPERATION OF DISTRICT OFFICE

The Vice President recognized Mr. Schuett, who presented the report concerning the District Office (the "Office Report"), a copy of which is attached hereto.

1. Request for Use of Walking Garden. Mr. Schuett reported that he had received a request from an individual requesting the use of the Walking Garden on Litchfield for a wedding ceremony. A discussion ensued regarding the request. The Directors indicated that they would not object to the use of the Walking Garden for the wedding ceremony, provided that the requesting party would (1) execute a "hold harmless" agreement with the District; (2) accept responsibility for providing security and traffic control; (3) be aware that no restroom facilities, parking, or electricity service would be available for the event; (4) notify the District regarding the estimated number of guests to be in attendance at the event; and (5) place a deposit with the District in the amount of \$400.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the request, subject to the terms described above.

BOOKKEEPER'S REPORT

Ms. Redden distributed to the Board copies of the Bookkeeper's Report dated 29 December 2011, a copy of which is attached hereto as an exhibit to these minutes. The Directors also reviewed certain invoices for payment by the Board, as well as 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.

KLEINWOOD JOINT POWERS BOARD ("KJPB")

Director Fratangelo presented a report on the activities of the KJPB.

NHCRWA

Mr. Green distributed copies of a memorandum from the District's Attorney regarding the 5 December 2011 meeting of the NHCRWA board of directors. A copy of the memorandum is attached hereto.

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



[Handwritten Signature]
Secretary, Board of Directors

Kleinwood Municipal Utility District
Meeting of 29 December 2011
Attachments

1. Informational Sheet / START program;
2. Tax Assessor/Collector's Report;
3. Letter from Janice Taylor;
4. Delinquent Tax Attorney's Report;
5. Security Patrol Report;
6. Development Report;
7. Engineer's Report;
8. Full and Complete Release and Indemnity Agreement / Veterinary Clinic;
9. Pay Estimate No. 3 / Water Plant Improvements;
10. Coats Rose memo / status of ongoing matters;
11. Coats Rose memo / HB 257 and unclaimed property;
12. Letter of U.S. Department of Justice;
13. Addenda to Commercial Landscape Maintenance Contracts;
14. Operator's Report;
15. Sample utility billing statement;
16. Letter from EDP to AWBD;
17. District Office Management Report;
18. Bookkeeper's Report; and
19. Coats Rose memo / NHCRWA.