

**MINUTES OF REGULAR MEETING  
OF  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 111**

May 16, 2006

The Board of Directors of Fort Bend County Municipal Utility District No. 111 met in regular session, open to the public, on the 16th day of May, 2006, at the offices of ECO Resources, Inc., 12535 Reed Road, Sugar Land, Texas, outside the boundaries of the District, and the roll was called of the duly constituted members of the Board, to-wit:

Matthew Shepard	President
Brian Durbin	Vice President
Jennifer Wienecke	Secretary
Rosemary Ruths	Assistant Vice President
Louis J. Manuel, II	Assistant Secretary

and all of the above were present except Director Shepard, thus constituting a quorum.

Also present at the meeting were Mike Thornhill of ECO Resources, Inc. ("ECO"); Cathy Brittain of Assessments of the Southwest, Inc.; Mark Burton of Municipal Accounts and Consulting, L.P. ("Municipal Accounts"); and Susan M. Edwards and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

**APPROVE MINUTES**

The Board considered approving the minutes of the April 18, 2006, meeting. After review and discussion, Director Wienecke moved that the Board approve the minutes of the April 18, 2006, meeting. Director Ruths seconded the motion, which passed by unanimous vote.

**ORDER CANVASSING RETURNS AND DECLARING RESULTS OF DIRECTORS ELECTION**

The Board considered adopting an Order Canvassing Returns and Declaring Results of the May 13, 2006, Directors Election. Ms. Edwards stated that Rosemary Ruths received 191 votes, Matthew Shepard received 182 votes, Louis Manuel received 139 votes and Seth Riklin received 48 votes. After discussion, Director Wienecke moved that the Board adopt the Order Canvassing Returns and Declaring Results of Directors Election declaring that Rosemary Ruths, Matthew Shepard and Louis Manuel have been elected directors to serve until May 8, 2010. Director Manuel seconded the motion, which passed by unanimous vote. A copy of the Order Canvassing Returns and Declaring Results of Directors Election, thus adopted, is attached to and shall be considered part of these minutes.

## **APPROVE CERTIFICATE OF ELECTION**

The Board considered (i) approving the Certificate of Election certifying that pursuant to an election held May 13, 2006, Louis Manuel, Rosemary Ruths and Matthew Shepard have been elected to the Board of Directors of the District for a four-year term from May 16, 2006, to May 8, 2010, or until a successor has been elected or appointed and has qualified, and (ii) authorizing distribution of the Certificate of Election to the newly elected Board members. After review, Director Manuel moved that the Board approve the Certificate of Election and that the Board authorize distribution of the Certificate of Election to the newly elected Board members. The motion was seconded by Director Wienecke and carried by unanimous vote. A copy of the Certificate of Election is attached.

## **DIRECTORS' SWORN STATEMENTS AND OATHS OF OFFICE**

The Board considered approving the Sworn Statements and Oaths of Office executed by Louis Manuel, Rosemary Ruths and Matthew Shepard in connection with their election to the Board of Directors. Upon a motion made by Director Ruths and seconded by Director Wienecke, the Board voted unanimously to approve the Sworn Statements and Oaths of Office executed by Louis Manuel, Rosemary Ruths and Matthew Shepard and authorize filing the Oaths of Office with the Secretary of State. A copy of the Sworn Statements and Oaths of Office for Directors Manuel, Ruths and Shepard are attached.

## **REORGANIZE THE BOARD AND ELECT OFFICERS**

The Board considered reorganizing the Board and electing officers. After discussion, Director Manuel nominated Director Ruths for the position of President and Director Shepard for the position of Assistant Vice President, with all other directors to retain their current positions. Director Wienecke seconded the motion, which passed by unanimous vote.

## **DISTRICT REGISTRATION FORM**

Director Durbin moved that the Board authorize ABHR to file the District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"). Director Manuel seconded the motion, which passed by unanimous vote.

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

Ms. Brittain reviewed with the Board the tax assessor/collector's report and the delinquent tax roll. She stated that the District's 2005 taxes are 97.7% collected. Ms. Brittain stated that the District's preliminary assessed value has been received from the Fort Bend Central Appraisal District in the amount of \$364,007,386. The Board reviewed a delinquent tax report from Perdue Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached. After review and discussion, Director Manuel moved that

the Board approve the tax assessor/collector's report and the checks to be paid from the tax account. Director Durbin seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report and the delinquent tax roll is attached.

### **BOOKKEEPER'S REPORT**

Mr. Burton presented the bookkeeper's report, the Investment Report, a one month budget comparison, a pledged securities report, and a debt service payment report. Mr. Burton stated that the District currently uses the services of ADP to process the director's per diem checks, pay the quarterly payroll taxes, and submit appropriate payroll reports at a cost of approximately \$70.00 per month. He stated that Municipal Accounts will perform the same services and that the cost is already included in the District's contract with Municipal Accounts. Mr. Burton stated that Municipal Accounts will provide the Board members with a check each month for meeting attendance instead of utilizing direct deposit. After discussion, Director Wienecke moved that the Board (i) authorize Municipal Accounts to notify ADP of the District's cancellation of its service agreement with ADP; (ii) authorize Municipal Accounts to administer the District's payroll; and (iii) approve the bookkeeper's report and the Investment Report. Director Manuel seconded the motion, which passed by unanimous vote. A copy of the bookkeeper's report, Investment Report, the list of checks presented for approval, and the summary of total bond debt outstanding is attached.

### **OPERATOR'S REPORT**

Mr. Thornhill presented the operator's report for the month of April, a copy of which is attached. He stated that there are 1,132 physical connections in the District. Mr. Thornhill stated that water accountability was 91% during the month. Mr. Thornhill then reported on maintenance and repair items in the District. He stated that a manhole and the surrounding sidewalk were repaired at 6414 Walston Bend Drive.

Mr. Thornhill reported on the duplicate billing by ECO last month. He stated that the error did not affect accounts with automatic bank drafts. Mr. Thornhill stated that the message regarding the \$1.00 fee will be deleted from customer water bills since the District absorbs this fee. He stated that the water bills will contain a notice regarding the five payment options available to the District's customers.

Director Durbin moved that the Board approve the operator's report. Director Wienecke seconded the motion, which passed by unanimous vote.

### **CONSUMER CONFIDENCE REPORT**

Mr. Thornhill stated that Gemini is preparing the Consumer Confidence Report and it will be presented next month.

### **TERMINATION OF DELINQUENT ACCOUNTS**

The Board conducted a hearing on the termination of utility service to delinquent accounts. Mr. Thornhill reported that the persons on the attached termination list were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and show reason why utility service should not be terminated for reason of nonpayment. Director Durbin moved that, because none of the residents on the attached list were either present at the meeting or presented any statement on the matter, utility service should be terminated in accordance with procedures set forth in the Rate Order. Director Wienecke seconded the motion, which passed by unanimous vote. A copy of the list of delinquent accounts is attached.

### **MUNICIPAL ANNEXATION COMMITTEE**

Director Durbin reported that the Annexation Committee received a letter from Allen Bogard, City Manager for the City of Sugar Land (the "City"), dated May 5, 2006, relating to the wastewater treatment plant, the fire station site, and the fiscal impact analysis. Director Durbin reviewed Mr. Bogard's response to the New Territory's districts' issues. Director Durbin said that Mr. Bogard's letter was written in response to an April 24, 2006, letter that appeared to be written on behalf of the Annexation Committee but was actually sent only from two Fort Bend County Municipal Utility District No. 112 directors. A copy of the letter from Mr. Bogard is attached. Mr. Durbin stated that the next meeting of the Annexation Committee is May 18, 2006.

The Board discussed the near-term annexation of Fort Bend County Municipal Utility District No. 1 by the City and the effect of this annexation on the expansion of the New Territory wastewater treatment plant.

### **WATER CONSERVATION COMMITTEE**

Director Ruths stated that Director Shepard requested that she meet with him and Don Vandertulip tomorrow to discuss the water reuse project. She stated that it was her understanding that the water reuse project was on hold, but she will attend the meeting and report to the Board.

### **GARBAGE SERVICES**

The Board discussed garbage collection services in the District and noted that no complaints had been received or problems observed during the last month.

### **OTHER MATTERS**

Director Durbin reviewed an invitation from the City to attend the Sugar Land Regional Airport open house on June 10, 2006.

There being no further business to come before the Board, the meeting was adjourned.

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Secretary, Board of Directors

(SEAL)

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