

MINUTES OF MEETING OF BOARD OF DIRECTORS
January 26, 2010

THE STATE OF TEXAS
COUNTY OF FORT BEND FORT BEND COUNTY MUNICIPAL UTILITY
DISTRICT NO. 81

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 81 (the "District") met in regular session, open to the public, at the Fort Bend County Commissioner Precinct 3 Office Building, 8100 Highway 359 South, Fulshear, Texas 77441, on January 26, 2010, at 9:00 a.m.; whereupon roll was called of the directors, to-wit:

President	-	J.B. DuBois, Jr.
Vice President	-	Robert Machen
Secretary	-	Victor J. Zdunkewicz
Assistant Secretary	-	Joseph Ray LeBlanc
Treasurer	-	Robert Pfaffenberger

All members of the Board were present. Also attending all or part of the meeting were Mr. Harlen Wunsch of Severn Trent Environmental Services, Inc. ("ST"), operators for the District; Mr. Kenneth Byrd of Equi-Tax, Inc. ("Equi-Tax"), tax assessor and collector for the District; Mr. Terry Holland of Myrtle Cruz Inc. ("MCI"), bookkeeper for the District; Mr. Kenneth Martinec of Jones & Carter, Inc. ("J&C"), engineers for the District; Mr. David Heslep, representative from the Property Owners Association ("POA"); Mr. Trent Thomas, councilman for the City of Weston Lakes (the "City"); and Ms. Nancy Green of Fulbright & Jaworski L.L.P. ("F&J"), attorneys for the District.

The meeting was called to order and, in accordance with notice posted pursuant to law, copies of certificates of posting which are attached hereto as *Exhibit A*, the following business was transacted:

1. **Minutes.** Consideration was given to the minutes of the regular meeting of December 22, 2009, previously distributed to the Board. Upon motion made by Director Machen, seconded by Director Pfaffenberger, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of December 22, 2009, as presented. Consideration was given to the minutes of the special meeting of January 13, 2010, previously distributed to the Board. Upon motion by Director Zdunkewicz, seconded by Director LeBlanc, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the special meeting of January 13, 2010, as presented.

2. **Attorney's Report.** The Board reviewed the Order Calling the Directors Election, a copy of which is attached hereto as *Exhibit B*. Director LeBlanc reported that the election judges would be paid \$15 per hour and Evelyn Douglas would be reimbursed \$500 for reserving the use of her home for early voting. Upon motion by Director Zdunkewicz, seconded

by Director Machen, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Order Calling the Directors Election.

Director LeBlanc reviewed the election timeline dates with the Board.

Ms. Green requested the Board's approval to post the Notice of Deadline to File Applications for a Place on the Ballot, a copy of which is attached hereto as *Exhibit C*. Upon motion by Director LeBlanc, seconded by Director Zdunkewicz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Notice of Deadline to File Applications for a Place on the Ballot.

The Board discussed the WCA garbage and recycling contract. Upon motion by Director Machen, seconded by Director Pfaffenberger, after full discussion and the question being put to the Board, the Board voted unanimously to approve the WCA three-year garbage and recycling contract.

The Board recognized Mr. Heslep, who requested that the Board consider the POA's request to manage the Riverwood's garbage pickup. Director DuBois stated that the Board would not consider the request because the District has no authority for Riverwood.

Director LeBlanc requested that WCA send a letter to notify residents of the recycle program in advance of the April 1st start date for the recycling service. Director Zdunkewicz requested that the letter include an explanation of the back-door garbage pickup. In addition to the WCA letter, Director Pfaffenberger volunteered writing a letter to residents announcing the recycling service on behalf of the Board.

3. Tax Assessor Collector's Report and Standby Fee Report. Mr. Byrd presented to and reviewed with the Board the Tax Assessor and Collector's Report for December, copies of which are attached hereto as *Exhibit D*. Mr. Byrd reported that the District has collected 30% of its 2009 taxes and 76.5% of its 27.9% of its 2010 standby fees.

Upon motion by Director Zdunkewicz, seconded by Director Machen, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report and to authorize payment of check nos. 2734 through 2746 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

Mr. Byrd reviewed the property tax exemptions for the District. Upon motion by Director Pfaffenberger, seconded by Director Zdunkewicz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Order Adopting Exemption from Taxation for Individuals Who Are Disabled or Are 65 Years of Age or Older, a copy of which is attached hereto as *Exhibit E*.

Upon motion by Director LeBlanc, seconded by Director Zdunkewicz, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution Authorizing Penalty on Delinquent Taxes Under Sections 33.07, 33.11 and 33.08, Tax Code, a copy of which is attached hereto as *Exhibit F*.

4. **Bookkeeper's and Investment Report.** Mr. Holland presented to and reviewed with the Board the Bookkeeper's Report and Investment Report, a copy of which is attached hereto as *Exhibit G*. Upon motion by Director LeBlanc, seconded by Director Pfaffenberger, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Investment Report, the Bookkeeper's Report, and the payment of the District's bills noted therein.

5. **Operations Report.** Mr. Wunsch reviewed with the Board the invoice items. Mr. Wunsch reported that ST would send letters to residents regarding bushes covering fire hydrants. Mr. Wunsch stated ST would like to give the residents an opportunity to trim their bushes before ST initiates the work. The Board discussed the fire hydrant reflectors for placement on the street. Mr. Wunsch reported that fire hydrant street markers would cost approximately \$11 each. Mr. Heslep stated that he would verify with the POA that the street markers could be installed.

Mr. Wunsch reported that a new builder is coming in to finish the Springland homes and that a new deposit has been put down on the homes. Mr. Wunsch reported that ST will perform a pre-site inspection of the homes and that the new builder will pay a new deposit if anything is damaged.

Mr. Wunsch presented to and reviewed with the Board the Operations Report and Well Run Report, copies of which are attached hereto as *Exhibit H*. Mr. Wunsch reported that zero months and 53,195,000 gallons remain on the District's Fort Bend County Subsidence District ("FBCSD") water permit. Mr. Wunsch stated that the District pumped 9,676,000 gallons of water in the month of December and that the water accountability for the month was 88.84%. Mr. Wunsch reported that the accountability is low because the water plant #1 meter skipped one million gallons of water. Mr. Wunsch reported that the meter would be replaced. Mr. Wunsch reported that a polyphosphate material was discovered on both sides and inside the meter. Mr. Martinec stated that he would test the material at Napco to determine what it is.

Mr. Wunsch reported that a customer, Darlene Dyers, is requesting a credit from ST because she paid her taxes to ST instead of Equi-Tax.

Mr. Wunsch requested the Board's approval to send two accounts to NCO for collection. Mr. Wunsch reported that 30 accounts are on the delinquent list and requested the Board's approval to disconnect the accounts on February 3, 2010, if payment is not received by 5:00 p.m. on February 2, 2010. Upon motion by Director Pfaffenberger, seconded by Director Machen, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report, to send two accounts to NCO for collection, to authorize ST to refund Ms. Dyers for her tax payment, and to disconnect the accounts on the delinquent list on February 3, 2010, if payment is not received by 5:00 p.m. on February 2, 2010.

Upon motion by Director LeBlanc, seconded by Director Zdunkewicz, after full discussion and the question being put to the Board, the Board voted unanimously to repair the fire hydrants starting with the worst repairs first.

Upon motion by Director Zdunkewicz, seconded by Director Machen, after full discussion and the question being put to the Board, the Board voted unanimously to place hydrant reflectors in the streets, pending approval from the POA.

Director DuBois requested that Mr. Wunsch revisit the homes under construction and verify their occupancy in relation to the invoicing by the WCA for builder homes trash pickup.

Director DuBois commended ST for their work in the District and their contributions to the Emergency Manual.

6. **Developer's Report.** There was no report.

7. **Engineer's Report.** Mr. Martinec reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit I*.

Mr. Martinec reported that the developer installed the access driveway to the lift station in Weston Lakes Section 19.

Mr. Martinec reported that J&C received and opened three bids on January 15, 2010 for the water well rework. Mr. Martinec reported that the low bidder was Alsay, Inc with a base bid of \$125,441. Mr. Martinec stated that J&C has worked with them in the past and recommend awarding the contract to Alsay, Inc. for the base amount. Mr. Martinec reported that the bid received by Layne Christensen Company did not include the required bid bond and is considered irregular. Mr. Martinec stated that the bid submitted by Weisinger Water Well was disqualified due to specification of unacceptable pump manufacturer. Mr. Martinec stated that Bussell and Sons, Inc. did not submit a bid. Upon motion by Director LeBlanc, seconded by Director Machen, after full discussion and the question being put to the Board, the Board voted unanimously to award Alsay, Inc. the well rework contract for \$125,441.

Mr. Martinec reported that the construction at the AT&T site is nearly complete. Mr. Martinec reported that the AT&T representative requested a retaining wall be constructed along the northwest side of the easement due to significant elevation changes across the site. Mr. Martinec stated that AT&T was able to construct the site without installing a retaining wall. Mr. Martinec reported that disturbed areas are adjacent to the site that will require additional sod. Mr. Martinec stated that J&C will direct the AT&T representative to place additional sod on the disturbed areas.

Mr. Martinec reported on the facilities inspection and stated that J&C will coordinate with the operator to conduct the annual water plant inspection at the same time as the infrared survey in June. Mr. Martinec reported in June 2009 that J&C recommends conducting an inspection of the District's wastewater treatment plant. Mr. Martinec reported that the Board decided to defer the matter to a later date. Mr. Martinec requested the Board consider conducting the inspection this year. Mr. Martinec stated that J&C estimates the cost to be \$7,000 to complete a full mechanical and electrical inspection of the wastewater treatment plant and water plants. Mr. Martinec reported that the inspections will include preparation of cost estimates and a full report for the wastewater treatment plant.

Mr. Martinec reported that J&C reviewed the District's current Security Vulnerability Manual and recommended adding additional sections for detailed procedures for hurricane preparation and recovery. Mr. Martinec stated that he would bring an example Emergency Preparedness Plan ("EPP") for the Board to review. Mr. Martinec reported that the estimated cost for J&C to prepare the EPP is \$5,000.

Upon motion by Director Machen, seconded by Director LeBlanc, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

8. **Public Comments.** Mr. Thomas reported that FEMA has issued preliminary flood plane data for the District and noted that Zone A flood plane maps indicate flood levels that cross slabs. Extensive discussion ensued regarding the FEMA preliminary flood plane elevations. Mr. Thomas stated that a meeting will be held on February 12, 2010 at the Simonton Community Church to discuss the flood plane issues.

9. **Other business matters.** No other matters were discussed.

Upon motion by Director Zdundewicz, seconded by Director Machen, after full discussion and the question being put to the Board the Board voted unanimously to adjourn the meeting.

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

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The above and forgoing minutes were passed and approved by the Board of Directors on February 23, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors