

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 24, 2009

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 February 24, 2009, at 9:00 a.m.; whereupon roll was called of the directors, to-wit:

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

All members of the Board were present except Director Machen. 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. Steve Reichardt of Sierra Golf Corporation ("Sierra"), a developer in the District; Mr. Cliff Kavanaugh of First Southwest Company ("FSW"), financial advisor for the District; Mr. Trent Thomas, alderman for the City of Weston Lakes; 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 January 27, 2009, previously distributed to the Board. Upon motion by Director Zdunkewicz, seconded by Director Brinsko, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting January 27, 2009, as presented.

2. **Tax Assessor and Collector's Report.** Mr. Byrd presented to and reviewed with the Board the Tax Assessor and Collector's Report for January, a copy of which is attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 73.7% of its 2008 taxes and 48.7% of its 2009 standby fees. Upon motion by Director LeBlanc, seconded by Director Brinsko, 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. 2669 through 2676 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Developer's Report.** Director DuBois reported that Sierra has offered the District a \$50,000 discount to pay off the reimbursement to the developer for Weston Lakes Section 19, Phase 2. Mr. Martinec explained that J&C prepared revised Bond Issue Requirements, copies of which are attached hereto as *Exhibit C*. Mr. Martinec stated that the analysis splits the reimbursement into two phases; Option 6A and Option 6B. Mr. Martinec reported that Option 6A includes Phase 1 utilities and the lift station, and Option 6B includes Phase 2 utilities. Mr. Martinec stated that the developer interest in the analysis are based on an interest rate of 3.65% for 2.5 years. Extensive discussion ensued regarding the discount the District would receive and the risks involved with the reimbursement payoff. Mr. Kavanaugh stated that if the District pays the reimbursement ahead of time and the value comes on line, the District will save money in interest payments. Mr. Kavanaugh noted that if the land is not developed, then the District receives no benefit for the money spent. Director LeBlanc stated that he calculated that the actual discount to the District would be approximately \$30,000 instead of \$50,000. Director DuBois requested that the developer and J&C revise the reimbursement proposal for discussion at a special meeting on March 12, 2009.

4. **Attorney's Report.** The Board reviewed the Amended and Restated Water Conservation, Drought and Emergency Contingency Plan, a copy of which is attached hereto as *Exhibit D*. 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 adopt the Amended and Restated Water Conservation, Drought and Emergency Contingency Plan.

5. **Bookkeeper's and Investment Report.** Mr. Holland presented to and reviewed with the Board the Bookkeeper's, Investment Report and Investment Policy, copies of which are attached hereto as *Exhibit E*. Mr. Holland suggested that the Board revise clause (3) under the heading "Instruments" of the Investment Policy to state "Certificates of deposit issued by a state or national bank or state or federal credit union domiciled in this state which certificates are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or its successor or secured by obligations as authorized under laws of Texas or the Texas Public Fund Collateral Act, which have a market value at least equal to the deposit and are pledged to the District only and held by a third-party custodian."

Director Zdunkewicz requested that Mr. Holland amend the Cash Summary Page of the Bookkeeper's Report so that it includes future liabilities. Upon motion by Director LeBlanc, seconded by Director Brinsko, after full discussion and the question being put to the Board, the Board voted unanimously to approve the amended language in the Investment Policy, the Investment Report, the Bookkeeper's Report, and the payment of the District's bills noted therein.

6. **Operator's Report.** Mr. Wunsch presented to and reviewed with the Board the Operations Report and Maintenance Report, a copy of which is attached hereto as *Exhibit F*.

Mr. Wunsch reported that there are 11 months and 243,394,000 gallons remaining on the District's Fort Bend County Subsidence District ("FBCSD") water permit. Mr. Wunsch stated that the District pumped 16,606,000 gallons of water in the month of January. Mr. Wunsch reported that the water accountability for the month of January was 83.06%. Mr. Wunsch reported that the estimated amount of water missing is 1,000,000 gallons.

Mr. Wunsch reported that ST wrote a letter to Westwood Homes notifying them that the District would turn off their water if payment is not received.

Mr. Wunsch reported on the Sewer Plant operations and noted that ST completed preventative maintenance items at the plant. Mr. Wunsch noted that a large quantity of rags and foreign materials were discovered in the tank.

Mr. Wunsch reported on the Water Smart application and noted that all Directors except Director Machen signed the application at the meeting. Mr. Wunsch noted that he would obtain Director Machen's signature and submit the application.

Director DuBois stated that he received a letter requesting that the District review the Consumer Confidence Report for swimming pool requirements and asked Mr. Wunsch to research the request.

Mr. Wunsch reported that he completed the FEMA website training courses 100, 200 and 700.

Mr. Wunsch requested the Board's approval to turn over one account to NCO for collections. Mr. Wunsch reported that 27 accounts are on the delinquent list. Mr. Wunsch requested the Board's approval to disconnect the accounts on the Delinquent List on March 4, 2009 if payment is not received by 5:00 p.m. on March 3, 2009. Upon motion by Director Brinsko, 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 and to disconnect the accounts on the delinquent list.

7. Engineer's Report. Mr. Martinec reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit G*. Mr. Martinec reported that construction is nearly complete in Weston Lakes Section 19, Phase 2. Mr. Martinec recommended the Board approve payment for Change Order No. 2 in the amount of \$1,000 to remove and relocate an existing flushing valve. Mr. Martinec reported that the flushing valve was too close to the back of the curb and needed to be relocated for traffic safety.

Mr. Martinec reported that the revised cost estimate to upgrade the booster pump at Water Plant No. 2 is attached to the Engineer's Report and includes additional details for several line items. Mr. Martinec reported that the estimated cost to upgrade the booster pump is \$66,000. Mr. Martinec reported that J&C's estimated cost to replace the booster pump motor with the same sized motor would be approximately \$5,000. Upon motion by Director Brinsko, seconded by Director LeBlanc, after full discussion and the question being put to the Board, the Board voted unanimously to approve replacing the booster pump motor for approximately \$5,000.

Mr. Martinec reported on the water plant recoating one-year inspection and stated that the contractor, D&L Quality Painting, will move onsite this week to address minor items from the one-year inspection held on February 10, 2009. Once the work is complete, Mr. Martinec stated that the ground storage tank can be brought back online.

Mr. Martinec reported on the well performance tests and noted that GM Services conducted well performance tests on January 26, 2009. Mr. Martinec reported that copies of the test are attached to the Engineer's Report. Mr. Martinec reported that the tests reveal that the pump for Well No. 2 is performing off the design curve, indicating possible pump wear. Mr. Martinec stated that no corrective action is recommended at this time. Mr. Martinec stated that if the capacity continues to decline during the summer, the District should consider reworking the well during the winter. Mr. Martinec stated that the tests showed the vibration levels to be outside acceptable limits for the well motor at Water Well No. 3. Mr. Martinec noted that the test was conducted on the rental motor and he recommended that the Board take no action at this time.

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

8. **Prepare Water Smart Participation.** This item was discussed in the Operator's Report.

9. **Public Comments.** The Board recognized Mr. Thomas, an alderman for the City of Weston Lakes, who introduced himself to the Board. Mr. Thomas stated that he would be the liaison between the District and the Board of Directors for the City of Weston Lakes.

10. **Other business matters.** Director DuBois reported that Non-Abolishment Agreement between the District and the City of Weston Lakes would be presented for approval and execution at the City of Weston Lakes board meeting on March 24, 2009.

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

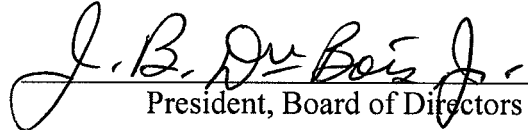
THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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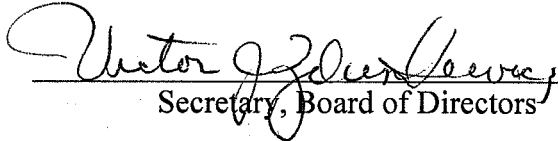
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The above and forgoing minutes were passed and approved by the Board of Directors on March 24, 2009.



President, Board of Directors

ATTEST:



Secretary, Board of Directors