

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 23, 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 March 23, 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. Sonny Fisher and Mr. Trent Thomas, alderman of 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 of 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 February 23, 2010, previously distributed to the Board. Upon motion made 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 minutes of the regular meeting of February 23, 2010, as presented.

2. **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 February, 2010 and the Perdue, Brandon, Fielder, Collins & Mott, L.L.P. Delinquent Tax Report, copies of which are attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 93.8% of its 2009 taxes and 61.9% of its 2010 standby fees.

In response to a question regarding the outstanding taxes on the Pfardresher lot, Director Pfaffenberger stated that the amount was approximately \$10,000. Mr. Byrd reported that he would resend the email regarding the outstanding taxes on the lot to the Board for review.

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 Tax Assessor and Collector's Report and to authorize payment of check nos. 2757 through 2766 from the Tax Account in the amounts, to the person, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Attorney's Report.** Director LeBlanc reported that the election is uncontested and stated that a notice stating such has been placed at the Weston Lakes Country Club. 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 adopt the Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as *Exhibit C*.

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 paying Ms. Evelyn Douglas \$200 for reserving her time as an election judge and her home for the election.

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 D*. Mr. Holland reported that approximately \$45,000 to \$48,000 remain in the builder deposit account. Mr. Holland stated that the money will be transferred to the State of Texas if it has not been refunded to the appropriate builder after three years. Director LeBlanc recommended that the District develop a method to for refunding the deposit to the appropriate builder. Mr. Wunsch recommended refunding the builder approximately six months after a new home has been built. Upon motion by Director Pfaffenberger, seconded by Director LeBlanc, 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 stated that the new ST work order system will reflect the exact time on work orders to prevent invoices from being late.

Mr. Wunsch reported that ST would re-apply the fire hydrant street markers because the markers came loose and did not adhere to the concrete when they were applied during the cold weather. This at no cost to the District.

Mr. Wunsch presented to and reviewed with the Board the Operations Report and Well Run Report, copies of which are attached hereto as *Exhibit E*. Mr. Wunsch reported that 10 months and 333,118,000 gallons remain on the District's Fort Bend County Subsidence District ("FBCSD") water permit. Mr. Wunsch stated that the District pumped 7,550,000 gallons of water in the month of February and that the water accountability for the month was 88.79%. Mr. Wunsch reported that Texas High Definition's builder damage receivables are \$659.25.

Mr. Wunsch requested the Board's approval to write-off one account and to send two accounts to NCO for collection. Mr. Wunsch reported that 32 accounts are on the delinquent list and requested the Board's approval to disconnect the accounts on March 31, 2010, if payment is not received by 5:00 p.m. on March 30, 2010. 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 Operator's Report, to write-off one account, to send two accounts to NCO for collection, and to disconnect the accounts on the delinquent list on March 31, 2010, if payment is not received by 5:00 p.m. on March 30, 2010.

Director DuBois reported that the Water Smart application was submitted before the April 1, 2010 deadline and the Water Smart committee will review the application the first week of April.

Director DuBois stated that the Directors need to register for the AWBD summer conference before May, 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 approve the Director's registration for the AWBD summer conference.

Director DuBois reported that he would revisit the homes listed as "under construction" for garbage collection to determine if the District is still responsible for paying for the garbage collection at these locations.

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 F*.

Mr. Martinec reported on the water well reworking project and noted that the contractor conducted an abbreviated pump test and was unable to pump 1,000 gallons per minute ("gpm") of water from the well with the pump and motor combination used. Mr. Martinec reported that J&C reviewed the testing data and pump curve and determined that there is an issue with the contractor's pumping equipment. Mr. Martinec noted that J&C directed the contractor to investigate the matter and continue monitoring the testing. Mr. Martinec noted that no sand was produced with the capacity increase. Mr. Martinec reported on the draw-down amount of water in the winter and summer months. Mr. Martinec stated that J&C will provide the contractor a list of pump manufacturers and noted that J&C makes the final decision on the pump manufacturer that the contractor selects. Mr. Martinec reported that the screens are fine and do not need to be replaced. Mr. Martinec reported that it will take approximately four weeks for the pump to arrive which may affect the completion of the project. Mr. Martinec noted that the well will also need to pass three consecutive days of bacteriological samples with the new pump.

Mr. Martinec reported that J&C met with AT&T representatives at the AT&T site and directed them to place additional sod and seeding. Mr. Martinec reported that AT&T agreed to place the sod and will monitor the site to determine whether the natural vegetation will return in the surrounding areas.

Mr. Martinec reported on the wastewater treatment plant noise ("WWTP") and odor following the resident's complaint last month. Mr. Martinec stated that an aerial map

reflecting the proximity of the resident's home at 32903 Whitburn Trail to the WWTP is attached to the Engineer's Report for the Board's review and discussion. Director Machen stated that the resident stated that the noise from the blowers was heard continually. Mr. Martinec noted that a considerable amount of noise could be heard from the Aqua of Texas wastewater treatment plant which is adjacent to and outside of the District. Mr. Martinec stated that the cost to deflect the sound from the blowers is estimated to cost between \$10,000 to \$20,000. Extensive discussion ensued regarding the District's ability to control the noise and lights. 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 re-direct the lights at the WWTP at a cost not to exceed \$1,000.

Mr. Martinec reported on the water well no. 2 flowmeter and noted that J&C will evaluate the check valve in the well piping to verify whether it may be contributing to the formation of precipitate at the well meter. Mr. Martinec reported that J&C will schedule Napco to retest the water to determine if the polyphosphate treatment needs to be modified.

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 Engineer's Report.

8. Public Comments. Director Machen stated that the Weston Lakes Property Owner's Association ("POA") is in violation of their lease agreement with the District because the POA is subleasing the location to Robin Dunn for the storage of his maintenance equipment. Director Machen stated that he would talk to the POA to determine what type of agreement exists between Robin Dunn and the POA for the use of the District's property. Discussion ensued regarding the POA subleasing the property without the District's permission. The Board requested that the attorney review the lease agreement and attend the next Board meeting.

9. Other business matters. Director DuBois stated that the new contract with WCA begins April 1, 2010 and the recycle service begins April 6, 2010.

Director DuBois stated that Director Machen and himself would be attending a four-hour course for municipal utility district directors on April 5, 2010 at the Meadows Place Community Center in Fort Bend County.

The Board discussed reviewing energy companies so that the District could lock-in to a low electricity contract before the current contract expires in November. It was the consensus of the Board to authorize Director Pfaffenberger to contact Mike Griffen and other energy brokers to obtain information regarding energy rates.

Director Zdunkewicz requested the Board's approval to submit an article on the District's function to the Fulshear Times newspaper.

Director DuBois stated that the Water Smart application has been submitted and the District is waiting on the 2010 inserts.

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 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 April 23, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors