

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 25, 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 May 25, 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 except Director Pfaffenberger. Also attending all or part of the meeting were Mr. Clay Brandenburg 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. Walter Douglas, resident of the District; Mr. Trent Thomas, alderman of the City of Weston Lakes (the "City"); Mr. Sonny Fisher, resident of the District; 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 April 27, 2010, previously distributed to the Board. Upon motion made 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 minutes of the regular meeting of April 27, 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 April, 2010, and the Delinquent Tax Report for May 25, 2010 from Purdue, Brandon, Fielder, Collins & Mott L.L.P. ("Purdue"), copies of which are attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 96% of its 2009 taxes and 69.6% of its 2010 standby fees.

3. Director Machen reported that Mr. Reichardt agreed to purchase the Pfordresher lot at auction on the second Tuesday of the month. Mr. Byrd reported that he and

Purdue would contact Mr. Reichardt regarding the lot and also request that he send an email to confirm his agreement to purchase the foreclosed Pfardresher lot at a public auction and to assume all financial obligations. Discussion ensued. Upon motion by Director Machen, seconded by Director Zdunkewicz, 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. 2770 through 2777 from the Tax Account in the amount, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

4. **Ratify Board approval to authorize electricity contract.** Director DuBois reported that Director Pfaffenberger executed a 29-month electricity contract with Hudson Energy which goes into effect December 20, 2010, a copy of which is attached hereto as *Exhibit C*. 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 ratify the approval to authorize the electricity contract.

5. **Attorney's Report.** The Board discussed the Amended and Restated Lease Agreement, a copy of which is attached hereto as *Exhibit D*. Discussion ensued regarding the lease of the maintenance yard and fuel ownership. Director Zdunkewicz requested a copy of ABC's insurance for his files. 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 Amended and Restated Lease Agreement.

The Board discussed the election of officers for the Board. 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 retain the current slate of officers.

6. **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 E*. In response to a question from Director LeBlanc, Mr. Holland stated that MCI would move \$140,000 from the TexPool account into certificates of deposits which yield a higher interest rate.

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 Investment Report, the Bookkeeper's Report, and the payment of the District's bills noted therein.

7. **Operations Report.** Mr. Brandenburg reviewed with the Board the invoice items, work orders and tolls. Directors LeBlanc and Zdunkewicz reported that the new ST invoices do not have labor rates, start times for jobs or thorough job descriptions.

Mr. Brandenburg reported that ST would remove funds from Westwood Homes' deposit to pay for their builder damage receivables.

Mr. Brandenburg presented to and reviewed with the Board the Operations Report, a copy of which are attached hereto as *Exhibit F*. Mr. Brandenburg reported that eight months and 294,382,000 gallons remain on the District's Fort Bend County Subsidence District

("FBCSD") water permit. Mr. Brandenburg stated that the District pumped 24,087,000 gallons of water in the month of April and that the water accountability for the month was 92.82%.

Mr. Brandenburg stated that a customer, Rosalind Taylor, has requested an adjustment for a leaking toilet. The Board requested that Mr. Brandenburg obtain the dollar amount for the leak and contact Director DuBois to render a decision on the matter.

Mr. Brandenburg reported that no changes are recommended for the Identity Theft Program that was approved last year.

Mr. Brandenburg stated that the Texas High Definition deposit will be used to offset their builder damage receivable costs.

Mr. Brandenburg reviewed with the Board the Consumer Confidence Report, a copy of which is attached to the Operations Report.

Mr. Brandenburg requested the Board's approval to send two accounts to NCO for collection. Mr. Brandenburg reported that 28 accounts are on the delinquent list and requested the Board's approval to disconnect the accounts on June 2, 2010, if payment is not received by 5:00 p.m. on June 1, 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 Operator's Report, to approve the Consumer Confidence Report, to send two accounts to NCO for collection, and to disconnect the accounts on the delinquent list on June 2, 2010, if payment is not received by 5:00 p.m. on June 1, 2010.

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

9. **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 on Weston Lakes Section 19, Phase 2 and stated that J&C conducted the one-year inspection of the paving on May 13, 2010. Mr. Martinec reported that J&C prepared a punch list of items that need to be addressed and will work with the contractor to make the repairs.

Mr. Martinec reported on the water well no. 2 reworking project and noted that the contractor, Alsay Inc. submitted pay estimate no. 2 in the amount of \$33,301.80. Mr. Martinec recommended that the Board approve payment. Mr. Martinec stated that the well is back on line and J&C is working with the contractor to address minor items at the water plant site. Mr. Martinec reported that GM services plans to test the well's performance in the next couple of weeks. Mr. Martinec reported that additional concrete will be added for foundation for the discharge heads.

Mr. Martinec reported that J&C met with ST and Napco Chemical Company to determine if the polyphosphate treatment needs to be modified after reworking the well. Mr. Martinec stated that Napco is testing a water sample and will notify J&C next week if they recommend any modifications to the polyphosphate system.

Mr. Martinec reported that J&C directed AT&T to place additional sodding on the disturbed area at the site near Water Plant No. 2. Mr. Martinec stated that the sodding has not been placed and J&C will direct them to place the sod again.

Mr. Martinec stated that after the last heavy rainfall, the geyser-like feature occurred again at the outfall at Pecan Lake. Mr. Martinec reported that J&C contacted Mike Surface and requested that he continue to monitor the outfall.

Upon motion by Director Machen, 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.

10. **Public Comments.** There were no public comments.

11. **Other business matters.** Director DuBois stated the 2011 budget will be discussed at a special meeting.

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 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 June 23, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors