

MINUTES OF MEETING OF BOARD OF DIRECTORS  
June 24, 2008

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 June 24, 2008, 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. 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. Kenneth Martinec of Jones & Carter, Inc., ("J&C"), engineers for the District; Mr. Terry Holland of Myrtle Cruz, Inc., bookkeepers for the District; Mr. Walter Douglas, a 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 which are attached hereto as *Exhibit A*, the following business was transacted:

1. **Minutes.** Consideration was given to the minutes of the meeting of May 27, 2008, previously distributed to the Board. 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 minutes of the meeting of May 27, 2008, as presented.

2. **Bookkeeper's and Investment Report.** Mr. Holland presented to and reviewed with the Board the Bookkeeper's and Investment Report, copies of which are attached hereto as *Exhibit B*. Mr. Holland reviewed the list of approved banks in the Bookkeeper's Report and requested the Board's approval to authorize Myrtle Cruz to purchase certificates of deposit at Allegiance Bank, Green Bank and Libertad Bank. Director LeBlanc recommended approving all of the banks on the list so that Myrtle Cruz could use its discretion in investing the District's money at any given time. 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 approve all banks on the bank list, the Investment Report, the Bookkeeper's Report and payment of the District's bills noted therein.

3. **Tax Assessor and Collector's Report.** Mr. Byrd presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as *Exhibit C*. Check numbers 2829 through 2838 were presented for approval. Mr. Byrd reported that as of May, 2008, the District has collected 95.6% of its 2007 taxes and 81% of its 2008 standby fees. Upon motion by Director Machen, seconded by Director Brinsko, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Assessor and Collector's Report and to authorize payment of the District's bills.

4. **Ratify Resolution Authorizing Additional Penalty on Delinquent Taxes Under Sections 33.07, 33.11 and 33.08, Tax Code.** 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 ratify the Resolution Authorizing Additional Penalty on Delinquent Taxes Under Sections 33.07, 33.11 and 33.08, Tax Code, a copy of which is attached hereto as *Exhibit D*.

5. **Attorney's Report.** Director DuBois requested that F&J notify the Board if an agreement between the District and the City of Weston Lakes is needed.

6. **Developer's Report.** There was nothing to report.

7. **Consider implementation of "Water Conservation, Drought and Emergency Contingency Plan."** The Board reviewed the Amended and Restated Water Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject, a copy of which is attached hereto as *Exhibit E*. The Board discussed the increased water usage in the District and recommended alerting the District's residents to voluntarily conserve water. The Board requested that ST provide the Board the daily pumping times for both water wells. Discussion ensued. 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 ST mailing a notice to residents requesting voluntary water conservation with the water bill.

8. **Operator's Report.** The President recognized Mr. Wunsch, who reviewed with the Board the invoices for the month of May. 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 seven months and 126,665,000 gallons of water remaining on the District's Fort Bend County Subsidence District permit. Mr. Wunsch stated that the District pumped 26,986,000 gallons of water in the month of May. Mr. Wunsch reported that the water accountability for the month of May was 82.47%. Mr. Wunsch reported that ST is investigating the low water accountability for the month and stated that the residential meter readings may not be correct. Mr. Wunsch stated that ST re-read the District's meters and will compare both readings for accuracy.

Director Zdunkewicz left the meeting at this time.

Mr. Wunsch reported on the Sewage Treatment Plant Summary and noted that the grinder pumps have been ordered and should arrive the first week of July.

Mr. Wunsch reported that 18 accounts are on the Delinquent List. Mr. Wunsch requested the Board's approval to disconnect the accounts on the delinquent list on June 26, 2008, if payment is not received by June 25, 2008 at 5 p.m. Mr. Wunsch requested the Board's approval to turn over one account to collections. 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 disconnect the accounts on the delinquent list and to turn over one account to collections.

9. **Engineer's Report.** Mr. Martinec presented to and 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 is preparing the plans and specifications to begin advertising for bids in August.

Mr. Martinec reported on the Water Plant Nos. 1 and 2 electrical repairs and noted that J&C has directed Weimer Manufacturing, Inc. to replace the transducers at both plants. Mr. Martinec stated that J&C expects the work to be complete in July.

Mr. Martinec reported on Weston Lakes Section 16, Phase 2B and noted that J&C submitted an application to the TCEQ to use operating funds to reimburse the developer. Mr. Martinec stated that the TCEQ declared the application administratively complete on June 11, 2008. Mr. Martinec noted that the operator is addressing some potential punch items before J&C schedules a pre-purchase inspection with the TCEQ. Mr. Martinec noted that Mr. Reichardt has agreed not to request any additional interest as long as the TCEQ approves reimbursement by August.

Mr. Martinec reported on the Water Plant inspections. Mr. Martinec stated that J&C completed the inspections and a summary included minor items, such as touch-up painting, which can be performed by the operator.

Mr. Martinec reported that J&C reviewed the Toskey Subdivision re-plat and has no objections to the re-plat and request for an easement abandonment in Weston Lakes, Section 11. Mr. Martinec requested the Board's approval of the Toskey Subdivision re-plat and easement abandonment.

Mr. Martinec requested the Board's approval to study the District's water usage due to a peak in usage between the hours of 2:00 a.m. to 9:00 a.m. Mr. Martinec noted that one or two of the District's booster pumps will need to be upgraded in the future. Mr. Martinec stated that he and the operator would analyze the water usage over a two to three year period to determine the capacity of the water plant. Mr. Martinec reported that the lot near water plant #2 could be used in the future for a new water plant to handle the capacity increase. Upon motion by Director Machen, seconded by Director Brinsko, after full discussion and the question being put to the Board, the Board voted unanimously to approve the capacity study, the replat and easement abandonment of the Toskey Subdivision and to approve the Engineer's Report.

10. **Discussion of Water Smart Participation.** Director DuBois reported that the District is a Water Smart Partner for 2008.

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

12. **Other business matters.** It was the consensus of the Board to meet August 19, 2008 to discuss the budget for the fiscal year ending September 30, 2009.

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 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 \_\_\_\_\_.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors