

MINUTES OF MEETING OF BOARD OF DIRECTORS  
June 30, 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 special session, open to the public, at the Fort Bend County Commissioner Precinct 3 Office Building, 8100 Highway 359 South, Fulshear, Texas 77441, on June 30, 2009, at 9:00 a.m.; whereupon roll was called of the directors, to-wit:

President	-	J.B. DuBois, Jr.
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. 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. Sean Kennedy of Property Acquisition Services, Inc; 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 which are attached hereto as *Exhibit A*, the following business was transacted:

1. **Other business matters.** It was the consensus of the Board that Director Machen would assume Director Brinsko's role as Vice President and as the District engineering liaison.

2. **Minutes.** Consideration was given to the minutes of the meeting of May 26, 2009, previously distributed to 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 approve the minutes of the meeting of May 26, 2009, as presented.

3. **Tax Assessor and Collector's Report.** Mr. Byrd presented to and reviewed with the Board the Tax Assessor and Collector's Report for May and the Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott L.L.P. ("Perdue Brandon"), copies of which are attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 96.1% of its 2008 taxes and 70% of its 2009 standby fees. Mr. Byrd reviewed the filed suits and the accounts processed for suit. In response to a question from Mr. Byrd, Director Zdunkewicz stated that he is not in favor of the District foreclosing on the abandoned vacant lot on Whitburn

Trail. Mr. Byrd reported that he would obtain the address of the lot and contact Perdue Brandon to determine if other entities are owed taxes. Mr. Byrd stated that he would email the assessed values to the Board upon receipt. 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. 2701 through 2704 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

4. **Attorney's Report.** Director DuBois reported that Mr. Thomas reviewed and approved the Southwestern Bell Telephone Company Agreement for the AT&T Easements for discussion and approval later in the meeting.

5. **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 C*. Discussion ensued on renewals for the certificates of deposit. Mr. Holland reviewed with the Board the Addendum to the Bookkeeper's Contract. 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 the Addendum to the Bookkeeper's Contract, the Investment Report, the Bookkeeper's Report, and the payment of the District's bills noted therein.

6. **Operations Report.** Mr. Wunsch reported on the invoice meeting and stated that he and Director Zdunkewicz discussed reviewing meters with readings between 1,000 to 5,000 gallons to determine if they are correct. Mr. Wunsch reported that water use in the District is approaching 2,000,000 gallons per day and stated that the District is close to reaching a Stage 1 triggering event on the Drought and Emergency Contingency Plan (the "Plan"). Mr. Wunsch stated that well no. 1 ran 18.9 hours on Friday. Mr. Wunsch reported that as stated in the Plan, mild drought conditions exist when demand on the District's water supply facilities require a run time for each operable well in service at a well-run time of at least 18 hours for three consecutive days, as determined by the District's operator. Mr. Wunsch recommended that the District notify residents by mail and by placing signs in the District when mild drought conditions are reached. Discussion ensued regarding the wording of the notification and location of the signs. It was the consensus of the Board that Director LeBlanc work with Mr. Wunsch on behalf of the Board to draft the notifications and that Director Machen speak with Jack Marshall of the POA to select the sign locations.

Mr. Wunsch presented to and reviewed with the Board the Operations Report and Well Run Report, copies of which are attached hereto as *Exhibit D*. Mr. Wunsch reported that there are seven months and 161,678,000 gallons remaining on the District's Fort Bend County Subsidence District ("FBCSD") water permit. Mr. Wunsch stated that the District pumped 25,341,000 gallons of water in the month of May and that the water accountability for the month was 93.55%.

Mr. Wunsch reported no problems at the Wastewater Treatment Facility.

Mr. Wunsch reported on the Builder Damage Receivables.

Mr. Wunsch reviewed with the Board a customer request for a bill adjustment due to a leak, a copy of which is attached to the Operator's Report. The Board stated that prior adjustments have been made on a case-by-case basis and noted that it is not District policy to adjust a bill for leaks since water flows through the meter. 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 a \$100 credit to Mr. Behne's account as an adjustment for his water leak.

Mr. Wunsch requested the Board's approval to submit one account (totaling \$53) to NCO for collections. Mr. Wunsch reported that 23 accounts are on the delinquent list and requested the Board's approval to disconnect the accounts on July 7, 2009, if payment is not received by 5:00 p.m. on July 6, 2009.

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 submit one account totaling \$53 to NCO for collection, and to disconnect the accounts on the delinquent list.

7. **Ratify approval of the 2008 Water Quality Report.** 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 ratify approval of the 2008 Water Quality Report.

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 E*.

Mr. Martinec reported on the Wastewater Treatment Plant and noted that J&C received the finalized permit and an approval letter from the Texas Commission on Environmental Quality ("TCEQ") dated May 29, 2009. Mr. Martinec stated that when the permit is renewed in 2014, the District will be required to comply with E. Coli limits and must complete monthly monitoring. Mr. Martinec reported that the testing will cost \$50 per month.

Mr. Martinec reported that earlier this month, two sanitary sewer lines broke and were repaired in Bradford on the Bend. Mr. Martinec stated that the sewer was constructed with Contech A-200 pipe, which is ribbed on the outside. Mr. Martinec stated this is not common pipe material and the pipe presented a challenge for the operator. Mr. Martinec noted that one of the repairs was immediately adjacent to a six-inch sanitary sewer force main on Wickby Road. Mr. Martinec stated that the repaired gravity line carries sewage to the lift station to the south, while the force main carries sewage from the lift station to the next gravity system located east of Bradford on the Bend.

Mr. Martinec reported on the CenterPoint Energy Critical Loads List ("CECLL"). Mr. Martinec noted that many districts experienced extended power outages following Hurricane Ike and, until recently, CenterPoint considered water and wastewater facilities to be a single customer with no priority over other residential or commercial customers. Mr. Martinec reported that CECLL prioritizes repairs for facilities considered crucial to protect or maintain public

safety during widespread power outages. Mr. Martinec noted that the qualification as a critical load public safety customer does not guarantee an uninterrupted electric power supply. Mr. Martinec reported that CenterPoint does not charge an annual or application fee to be registered on the list but noted that costs are associated with preparing the application. Mr. Martinec reported that J&C can gather the required information, fill out the application, and confirm submission for approximately \$800. Mr. Martinec recommended that Board authorize J&C to prepare and submit the application on behalf of the District. 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 authorize J&C to prepare the application for the CECLL for \$800.

Mr. Martinec reported that J&C reviewed the proposed easement agreements and survey from Mr. Kennedy with Property Acquisition Services, Inc, a copy of which is attached hereto as Exhibit "F". Mr. Martinec requested that the Board consider provisions for the type of fence surrounding the facility, the type of driveway (concrete or crushed stone), any preferences on clearing the site, and any preferred landscaping after the site is cleared. Mr. Kennedy reported that the first easement for the forty-foot by fifty-foot easement for the fenced area is an exclusive agreement. Mr. Kennedy reported that the second access easement to the access road is a non-exclusive agreement. Mr. Kennedy reported that the third easement includes acquisition of an access easement through Reserve E. from Westerdale to the water plant and serves to provide access for both sites. In response to a question from Director LeBlanc, Mr. Kennedy stated that following execution of the agreements, the construction would take approximately two to three months to complete. Discussion ensued on the type of fencing, the driveway material, and the landscaping options. 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 AT&T easements, including an aluminum fence for the forty-foot by fifty-foot easement and a concrete driveway.

Mr. Martinec reported on the Emergency Preparedness Plan and stated that Senate Bill No. 361 requires districts within certain counties to adopt and submit an Emergency Preparedness Plan ("EPP") no later than March 1, 2010. Mr. Martinec reported that the requirement is based on county population, and Fort Bend County is not subject to the bill as of the 2000 census, however, the 2010 census may increase the County population and the District may be required to comply with the proposed regulations. Mr. Martinec reported that the TCEQ is finalizing a template for the EPP. Mr. Martinec reported that the EPPs are an excellent tool for the operator, engineer and the District, and should include the specific roles and responsibilities of the District consultants and how the facilities will be operated and manned during emergency situations. Mr. Martinec added that once the template is finalized, J&C will seek the Board's approval to complete the EPP (if the EPP becomes a requirement).

Mr. Martinec reminded the Board that J&C will be preparing a water analysis update in September or October.

Director DuBois noted that the District and Operator Emergency Preparedness Plans were submitted to the City of Weston Lakes (the "City") for its use in preparing a plan for the City.

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.** Mr. Fisher commented on the CECLL and his experiences with CenterPoint's responsiveness during emergency events.

11. **Other business matters.** Director DuBois reported that the City appointed Dennis DeLuca and Trent Thomas to a two-person committee to meet with Director DuBois and review the Non-Abolishment Agreement between the District and the City. Director Zdunkewicz stated that he would attend the meeting.

Director DuBois reported that Directors LeBlanc and Zdunkewicz attended the AWBD Conference June 18, 2009 through June 20, 2009 in Corpus Christi.

The Board discussed attending the 2009 Fresh Water Conference in Austin August 11, 2009 and August 12, 2009.

Director DuBois reported that a portion of the Emergency Manual was given to the City of Weston Lakes to be added to the City's Emergency Manual.

Director DuBois reported that he and Director LeBlanc reviewed the website updates with the website facilitator, Mack Alexander. Director DuBois stated that a report of the amount of water pumped in the District and a counter of visits to the website were added.

The Board reviewed the Interlocal Agreement between the Fort Bend Subsidence District and the District. Director LeBlanc reported that the District has budgeted \$34.50 per student (for 101 students) for the Water Wise program. 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 Interlocal Agreement between the Fort Bend Subsidence District and the District.

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.

\* \* \*

The above and forgoing minutes were passed and approved by the Board of Directors on \_\_\_\_\_.

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors