

MINUTES OF MEETING OF BOARD OF DIRECTORS  
July 28, 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 July 28, 2009, 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. Mark Roth, auditor for the District; Mr. Trent Thomas, councilman for 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 which are attached hereto as *Exhibit A*, the following business was transacted:

1. **Minutes.** Consideration was given to the minutes of the meeting of June 30, 2009, 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 June 30, 2009, as presented. Consideration was given to the minutes of the meeting of July 9, 2009, 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 July 9, 2009, as presented. Consideration was given to the minutes of the meeting of July 21, 2009, previously distributed to the Board. Upon motion by Director Leblanc, seconded by Director Pfaffenberger, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of July 21, 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 June, a copy of which is attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 96.7% of its 2008 taxes and 72.5% of its 2009 standby fees. Mr. Byrd reported that he expects to receive the 2009 certified assessments the first week of September. Mr. Byrd stated that the preliminary assessment from April is \$286,487,314. Mr. Byrd reported that he would contact Carl Sandin of Perdue Brandon Fielder, Collins & Mott, L.L.P. regarding the Pfardresher lot bankruptcy. In response to a question from Director LeBlanc, Mr. Byrd stated that every entity that is owed taxes from the lot is considered equal in a tax foreclosure sale.

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 Tax Assessor and Collector's Report and to authorize payment of check nos. 2705 through 2709 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report

3. **Appoint auditor for the fiscal years ending September 30, 2009 and September 30, 2010.** The Board recognized Mr. Roth who reviewed with the Board the auditor's engagement letter, 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 approve a two year contract with the auditor and to accept the auditor's engagement letter for the fiscal years ending September 30, 2009 and September 30, 2010.

4. **Attorney's Report.** Director DuBois reported that the Drought Contingency Plan was amended according to the changes approved at the July 21, 2009 special meeting. Upon motion by Director Zdunkewicz, seconded by Director Pfaffenberger, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Amended Drought Contingency Plan, a copy of which is attached hereto as *Exhibit D*.

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 E*. Director LeBlanc recommended transferring \$100,000 from the TexPool account into a certificate of deposit ("CD") with a higher interest rate. Mr. Holland noted that six of the thirteen banks have ceased quoting rates for CDs. 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 transfer \$100,000 from TexPool into a CD and 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 that the lift station connections have been made and that an electric line was cut to the sprinkler system at the half-way house. Mr. Wunsch reported that a water main repair required the removal of a driveway and noted that the concrete repair would be reported on a subsequent invoice.

Mr. Wunsch reported that a meter was pulled and locked off at one location in the District following an illegal connection made by the occupants. Mr. Wunsch reported that the fine for an illegal connection is \$500 to \$5,000.

Mr. Wunsch reviewed several invoice items.

Mr. Wunsch presented to and reviewed with the Board the Operations Report and Well Run Report, copies of which are attached hereto as *Exhibit F*. Mr. Wunsch reported that there are six months and 121,323,000 gallons remaining on the District's Fort Bend County Subsidence District ("FBCSD") water permit. Mr. Wunsch stated that the District pumped 40,355,000 gallons of water in the month of June and that the water accountability for the month was 91.31%. Mr. Martinec stated that he would apply for an amendment to the FBCSD water permit.

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

Mr. Wunsch reported on the Builder Damage Receivables.

Mr. Wunsch reviewed the run times and pumpage amounts for water plant # 1 and # 2. In response to a question from Director LeBlanc, Mr. Wunsch reported that he would investigate the pumpage hours for well #2 on June 11, 2009, and determine the correct time. Mr. Wunsch explained that the well hours are transmitted electronically by phone and transcribed into a written log.

Mr. Wunsch reported that ST received a few emails regarding the Drought Contingency Plan implementation, copies of which are attached to the Operations Report. The Board directed Mr. Wunsch to reply to Mr. Rios regarding the variance.

Mr. Wunsch requested that the Board approve submission of one account (totaling \$220.89) to NCO for collection. Mr. Wunsch reported that 10 accounts are on the delinquent list and requested the Board's approval to disconnect the accounts on July 28, 2009, if payment is not received by 5:00 p.m. on July 27, 2009. 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 Operator's Report, to submit one account totaling \$220.89 to NCO for collection, and to disconnect the accounts on the delinquent list.

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

8. **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 Drought Contingency Plan and stated that per the Board's discussion at the special meeting on July 21, 2009, J&C will update the District's Water Plant Analysis for 2009. Mr. Martinec reported that J&C would work with the operator to gather data from the previous year to August 2009 and will present the updated analysis at the September meeting.

Mr. Martinec reported on the Capital Improvement Plan ("CIP") and stated that J&C is preparing a budget to complete a District CIP. Mr. Martinec noted that the CIP will include inspections of the District's plant facilities, a televised survey of some of the District sanitary sewer lines, and recommended District projects over the next five years. In response to a question from Director LeBlanc, Mr. Martinec stated that approximately 1,200 to 1,500 linear feet of the main trunk lines would be televised in the oldest section of the District. Mr. Martinec estimated that the cost to prepare the CIP and conduct the inspections is between \$10,000 and \$11,000. Director Machen stated that he would like to accompany J&C during the plant inspection.

Mr. Martinec reported on the City of Weston Lakes Emergency Preparedness and noted that J&C spoke to Cliff Aldrich earlier this month concerning the possibility of preparing a Critical Infrastructure Map of the City. Mr. Martinec stated that the map would indicate the location of wastewater lift stations, the wastewater treatment plant, water plants, and other critical facilities. Mr. Martinec noted that J&C would perform the work later this year on behalf of the City.

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 Engineer's Report.

9. **Public Comments.** In response to a question from Mr. Fisher, Mr. Wunsch reported that there is no way to determine the water usage on the pulled meter. Mr. Thomas reported on the City's Emergency Preparedness.

10. **Other business matters.** Director DuBois reported that he and Director Zdunkewicz will meet with Dennis DeLuca and Trent Thomas regarding the Non-Abolishment Agreement between the District and the City.

Director Machen reported that he is attending the 2009 Fresh Water Conference in Austin August 11, 2009 and August 12, 2009.

The Board discussed the dates for holding a special meeting to discuss the tax rate and to adopt the budget for the fiscal year ending September 30, 2010. Discussion ensued. It was the consensus of the Board to meet August 27, 2009 at 9:00 a.m.

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 \_\_\_\_\_.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors