

MINUTES OF MEETING OF BOARD OF DIRECTORS
September 23, 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 September 23, 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 except Director Machen. 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. Steve Reichardt of Sierra Golf Corporation, a developer for the District; Ms. Kelly Johnson of Sterling Management Company; and Mr. Adrian Patterson 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 special meeting of August 19, 2008, previously distributed to the Board. 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 the minutes of the special meeting of August 19, 2008, as presented. Consideration was given to the minutes of the meeting of August 26, 2008. Upon motion by Director Zdunkewicz, seconded by Director Brinsko, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of August 26, 2008, as presented.

2. **Public Hearing on Proposed Tax Rate for 2008.** There were no public comments.

3. **Appoint auditor for the fiscal year ending September 30, 2008.** Director LeBlanc noted that Mark Roth was appointed a two-year contract as auditor for the District in 2007. 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 continue with such contract and to engage Mark Roth as the District's auditor for 2008.

4. **Adopt Budget for fiscal year ending September 30, 2009.** 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 adopt the budget for the fiscal year ending September 30, 2009.

5. **Attorney's Report.** Director DuBois reported that the District received the POA's \$5.00 payment and a list of their insurance providers. Director DuBois stated that the District would retain the POA's copy of the POA Lease Agreement until it receives the copy of the POA's insurance policy.

Director DuBois reported that the POA notified the Board that Fort Bend County agreed to pick up the tree limbs that fell in the District after Hurricane Ike (the "Hurricane") if the District would permit them to enter the community. 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 authorize Director LeBlanc to contact Fort Bend County to verify that it would be picking up the tree limbs in the District.

Director DuBois requested that Mr. Patterson contact Mathew May of WCA to notify him that the District expects WCA to continue heavy trash pickup as it is defined in accordance with the District's contract.

6. **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*. Upon motion by Director Zdunkewicz, seconded by Director Brinsko, 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. **Operator's Report.** The Board and Mr. Martinec commended ST on their work in the District during Hurricane Ike. Mr. Wunsch reviewed with the Board the invoice meeting items.

Mr. Wunsch presented to and reviewed with the Board the Operations Report and Maintenance Report, a copy of which is attached hereto as *Exhibit C*. Mr. Wunsch reported that there are four months and 30,473,000 gallons of water remaining on the District's Fort Bend County Subsidence District permit. Mr. Wunsch stated that the District pumped 27,781,000 gallons of water in the month of August. Mr. Wunsch reported that the water accountability for the month of August was 90.20%.

Mr. Wunsch reported on the Sewage Treatment Plant Summary for the month of August.

Mr. Wunsch reported that the ST computers are not operational since the Hurricane and noted that the Operator's Report does not include the Delinquent List for the month.

Upon motion by Director Brinsko, 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.

8. **Tax Assessor and Collector's Report and Standby Fee 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 D*. Check numbers 2651 through 2653 were presented for approval. Mr. Byrd reported that as of August, 2008, the District has collected 97.8% of its 2007 taxes and 85.6% of its 2008 standby fees. 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 Tax Assessor and Collector's Report.

9. **Ratify Order Designating Officer to Calculate and Publish Tax Rate for 2008.** Ms. Green presented the Order Designating Officer to Calculate and Publish Tax Rate for the Board's execution. Ms. Green noted that the Order was approved at the August 26, 2008 meeting. 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 the Order Designating Officer to Calculate and Publish Tax Rate for 2008.

10. **Adopt Order Setting Tax Rate and Levying Tax for 2008 and approve Amended District Information Form.** 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 adopt the Order Setting Tax Rate and Levying Tax for 2008, a copy of which is attached hereto as *Exhibit E*, thereby setting a tax rate of \$0.39 per \$100 assessed valuation (\$0.35 per \$100 assessed valuation to pay principal and interest to service the District's debts and \$0.04 per \$100 assessed valuation to fund maintenance and operating expenditures).

11. **Attorney's Report Continued.** The President recognized Ms. Johnson from the POA. Ms. Johnson requested that the Board contribute money to replace the fence on Bowser Road. Ms. Johnson stated that the homeowners on Bowser Road own the fence, but that the POA is requesting contributions from the District and the homeowners to re-build the fence. Director DuBois stated that the District has not researched the legality of the District's donation toward rebuilding the fence and noted that the District does not have discretionary income to donate toward the project due to its commitments to District maintenance items and developer reimbursements. Director LeBlanc requested that the POA select the type of fence it would like to purchase and the total cost of the project before it solicits contributions from the Board. Director DuBois stated that if the District does contribute to the project, the contribution would be nominal. Ms. Johnson stated that she would relay the Board's request to the POA.

12. **Developer's Report.** Mr. Reichardt reviewed with the Board the Developer's Report and noted that there were no sales activities in Oxbow for the month of August.

In response to a question from Director LeBlanc regarding the status of the developer reimbursement, Mr. Martinec stated that J&C is waiting for approval from the Houston TCEQ office before the Austin TCEQ office can send the reimbursement approval letter for the Weston Lakes Section 16, Phase 2B reimbursement.

13. **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 F*.

Mr. Martinec reported on Weston Lakes, Section 19, Phase 2, and reported that J&C prepared contracts for signature and will hold a preconstruction meeting after the contracts are fully executed.

Mr. Martinec reported that the Wastewater Treatment Plant Permit application renewal is almost complete and stated that the application should be ready for the Board's approval at the October meeting. Mr. Martinec reported that the application must be received by the TCEQ by January 2, 2009.

Mr. Martinec reported that J&C has finalized the Water Plant Capacity Report, a copy of which is attached hereto as *Exhibit G*. Mr. Martinec requested that the Board review the report and formulate questions for discussion at a later date. Mr. Martinec stated that J&C still recommends upgrading two booster pumps at Water Plant No. 1 and constructing a new well.

Mr. Martinec reported that the Water Well No. 2 Pump Curve design is attached to the Engineer's Report. Mr. Martinec noted that a copy of the curve design was sent to GM Services and that J&C has requested that GM Services include the pump curve in future well performance reports.

Mr. Martinec reported that the revised description for Water Plant No. 1 was sent to the attorney this week.

Mr. Martinec reported that J&C is monitoring the Operator's pumping report to determine if the District will exceed the permitted amount. Mr. Martinec stated that J&C will decide if a permit amendment is needed based on the report for August activity.

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 approve the Engineer's Report.

14. **Discussion of Water Smart Participation.** Director DuBois reported that the Water Smart Steering Committee cancelled their September 16, 2008 meeting. Director DuBois stated that the meeting discussions would have included methods to measure water usage.

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

16. **Other business matters.** Director DuBois requested that Ms. Green post a meeting notice for October 24, 2008 at 9:00 a.m. to review the water availability plan.

Director LeBlanc noted that the financial seminar hosted by McCall, Gibson, PLLC had been cancelled and will be rescheduled in November.

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 _____.

President, Board of Directors

ATTEST:

Secretary, Board of Directors