

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 25, 2011

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 October 25, 2011, 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 for Director Pfaffenberger. Also attending all or part of the meeting were Mr. Harlen Wunsch and Mr. Mark Yentzen of Severn Trent Environmental Services, Inc. ("ST"), operator 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. William Hill and Dennis Kastner, residents of the District; Mr. Kenneth Martinec of Jones & Carter, Inc. ("J&C"), engineers for the District; and Ms. Courtney McDonald 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 September 27, 2011 previously distributed to the Board. 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 minutes of the regular meeting of September 27, 2011, 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 September, 2011, a copy of which is attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 99.2% of its 2010 taxes and 84.2% of its 2011 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 and to authorize payment of check no. through 2867 from

the Tax Account in the amount, to the person, and for the purpose described in the Tax Assessor and Collector's Report.

3. **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*.

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

4. **Attorney's Report.** There was no written report. Ms. McDonald reported to the Board that they will not need to contract with the company leasing voting machine equipment due to the fact that Ft. Bend County does not anticipate the shortages in voting machines, unlike Harris County. Ms. McDonald noted that after speaking with Mr. Thomas, she will report to the Board at next month's meeting regarding the option to move the May 2012 Director elections to November 2012.

5. **Operations Report.** Mr. Wunsch reviewed with the Board the Operations Report, a copy of which is attached hereto as *Exhibit D*. Mr. Wunsch reported that three months of water usage remains on the District's aggregate Fort Bend Subsidence ("FBSD") water permit. Mr. Wunsch stated that the District pumped 44,245,000 gallons of water in the month of September, and that the water accountability for the month was 93.53%.

Mr. Wunsch reported that he received a copy of the revised Drought Plan, and asked the Board for consideration of notifying District customers in the next water bill. Discussion ensued. 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 prepare a letter to District customers that will be included in the next water bill noting that the Drought Plan was modified for clarity and does not change the intent of the preceding plan. A copy of the updated Plan will be posted on the District's website.

Mr. Wunsch reported that the drought notifications signs are still up around the District and asked the Board for direction on the time-frame for removing the signs. It was the consensus of the Board to leave the signs up for another month.

Mr. Wunsch reported that two work orders were entered, and checked for possible leaks, but the District will receive a credit due to the absence of any leaks.

Mr. Wunsch reported that 18 accounts are on the delinquent list and requested Board approval to disconnect the accounts on the delinquent list on November 2, 2011, if payment is not received by 5:00 p.m. on November 1, 2011. Upon motion made 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 Operator's report and disconnect the accounts on the delinquent list on November, 2, 2011, if payment is not received by 5:00 p.m. on November 1, 2011.

6. **Other business matters.** Director DuBois noted that there is an AWBD seminar in the fall, and an AWBD winter meeting in Dallas, which the Directors are encouraged to attend.

It was the consensus of the Board to hold the regular December meeting on December 20, 2011.

7. **Public Comments.** Director DuBois recognized visitors Mr. William Hill and Mr. Dennis Kastner. Mr. Hill and Mr. Kastner requested permission to view the plans for the replacement Water Well at Water Plant No. 1, since they live very close to the proposed site. After viewing the plans, both residents inquired about the proposed landscaping around the plant site. It was the consensus of the Board to invite both residents to next month's special meeting to discuss the landscaping at the plant site.

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 2011 rework of Water Well no. 2 and noted that there is nothing new to report this month.

Mr. Martinec reported on the Bond Application Report that was submitted to the TCEQ on September 21, 2011. He noted that the application is under review and J&C is assisting the reviewer with general questions about the District.

Mr. Martinec reported on the Replacement Water Well at Water Plant no. 1. He reported that J&C prepared the preliminary plans for the new water well. The Board extensively reviewed the plans and noted specific amenities and placement of structures. Mr. Martinec noted that J&C will submit a copy to the TCEQ this month.

Mr. Martinec reported on the Water Well Permit, and noted that J&C will submit a well permit amendment to add an additional 80 million gallons to the 2011 permit and will submit the 2012 renewal this week.

Mr. Martinec reported on the District's Emergency Preparedness Plan and noted that ST submitted the necessary critical loads information to the required entities in advance of the November 1, 2011 deadline. He noted that J&C will prepare the Emergency Preparedness Plan and present a draft for the Board's review by the February deadline.

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 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 November 22, 2011.

President, Board of Directors

ATTEST:

Secretary, Board of Directors