

MINUTES OF MEETING OF BOARD OF DIRECTORS  
October 28, 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 October 28, 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. Robin Griggs of Anco McDonald Waterworks Insurance ("Anco"); Ms. Kimberly Courte of WIN/Highpoint Insurance Group ("WIN"); Mr. Jerry Lavey of Harco/TML Insurance Services ("Harco"); 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 regular meeting of September 23, 2008, previously distributed to the Board. 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 minutes of the regular meeting of September 23, 2008, 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 September, a copy of which is attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 98% of its 2007 taxes and 85.8% of its 2008 standby fees. Mr. Byrd requested the Board's approval to amend the Order Adopting Exemption from Taxation for Individuals are Disabled or Who Are 65 Years of Age or Older, a copy of which is attached hereto as *Exhibit C*. Mr. Byrd stated that the Harris County Appraisal District ("HCAD") had inadvertently increased the exemption to

\$66,000. Director DuBois requested that Mr. Byrd notify HCAD that the District will not approve any future increases without the Board's prior consent. 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 amendment to the Order Adopting Exemption from Taxation for Individuals are Disabled or Who Are 65 Years of Age or Older, to approve the Tax Assessor and Collector's Report and to authorize payment of check nos. 2654 through 2656 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Review District Insurance.** The President recognized Ms. Griggs, who presented to and reviewed with the Board the Anco insurance proposal, a copy of which is attached hereto as *Exhibit D*. Ms. Griggs answered questions from the Board.

The President recognized Ms. Courte, who presented to and reviewed with the Board the WIN insurance proposal, a copy of which is attached hereto as *Exhibit E*. Ms. Courte answered questions from the Board.

The President recognized Mr. Lavey, who presented to and reviewed with the Board the Harco insurance proposal, a copy of which is attached hereto as *Exhibit F*. Mr. Lavey answered questions from the Board.

The Board considered the Aquasurance Insurance proposal, previously distributed to the Board.

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 WIN insurance proposal for the policy term December 31, 2008 to December 31, 2009.

4. **Attorney's Report.** The Board reviewed the Procedures and Guidelines Regarding Post-Issuance Compliance with Federal Tax Requirements Applicable to Tax-Exempt Bonds, a copy of which is attached hereto as *Exhibit G*. 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 Procedures and Guidelines Regarding Post-Issuance Compliance with Federal Tax Requirements Applicable to Tax-Exempt Bonds.

The Board discussed the Non-Abolishment Agreement between the District and the City of Weston Lakes. Director DuBois stated that he discussed the legality of the agreement with the attorney. Director DuBois reported that the attorney could not guarantee the agreement would be legal and binding. Director DuBois stated that the attorney believes it would be better to have the agreement than not. Director DuBois suggested that the Board wait to present the agreement to the City of Weston Lakes after the elected officials are in office.

5. **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 H*. The Board discussed the District's investments in the Tex-Pool Accounts and certificates of deposits. 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 Investment Report, the Bookkeeper's Report and the payment of the District's bills noted therein.

6. **Operator's Report.** Mr. Wunsch presented to and reviewed with the Board the Operations Report and Maintenance Report, a copy of which is attached hereto as *Exhibit I*.

Mr. Wunsch recommended pulling the meters from the Westwood Homes until payment of the builder damage receivables are paid to the District or the deposit has been replenished. 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 pulling the meters on the Westwood Homes.

Mr. Wunsch reviewed the invoices for the month of September.

Mr. Wunsch reported that there are three months and 2,398,000 gallons of water remaining on the District's Fort Bend County Subsidence District ("FBCSD") permit. Mr. Wunsch reported that Mr. Martinec amended the FBCSD permit by 75,000,000 gallons of water. Mr. Wunsch stated that the District pumped 28,075,000 gallons of water in the month of September. Mr. Wunsch reported that the water accountability for the month of September was 91.49%.

Mr. Wunsch requested the Board's approval to turn over one account to collections. Mr. Wunsch reported that there are 46 accounts on the delinquent list and that the accounts will be terminated on October 29, 2008 if payment is not received by 5:00 p.m. on October 28, 2008. 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 turn over one account to collections, to terminate service to customers on the delinquent list and to approve the Operator's Report.

7. **Developer's Report.** Mr. Reichardt reviewed with the Board the Developer's Report and noted that there were no new homes starts or sales.

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 Developer's Report.

8. **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 J*.

Mr. Martinec reported on Weston Lakes, Section 19, Phase 2, and reported that the contractor began construction of the underground utilities. Mr. Martinec reported that there is no pay estimate this month. Mr. Martinec reported that J&C prepared a Notice of Intent to be signed by the Board.

Mr. Martinec reported that J&C received authorization by the TCEQ on October 8, 2007 to reimburse the developer for Weston Lakes Section 16, Phase 2B.

Mr. Martinec reported that a Preliminary Summary of Cost for the water plant capacity is attached to the Engineer's Report for the Board to review. Mr. Martinec stated that the summary provides information on the bond issue requirements necessary to fund a future water well.

Mr. Martinec reported that J&C is waiting for the laboratory analysis to complete the permit application.

Mr. Martinec reported that J&C sent a revised description for Water Plant No. 1 to the attorney.

Mr. Martinec reported that J&C is amending the FBCSD permit for an additional 75,000,000 gallons of water. Mr. Martinec added that J&C is also submitting a permit renewal for 260,000,000 gallons of water next year.

Director DuBois requested that Mr. Martinec survey the culvert next to 4810 Wentworth to determine if the box is in the correct location and the elevation is correct. Mr. Martinec stated that survey crews will be in the District in the near future and would be able to complete a topographic survey of the roadside ditch.

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 Engineer's Report.

9. **Discussion of Water Smart Participation.** Director DuBois reported that the Water Smart Steering Committee met last week and that the committee finalized the application and that it is posted on AWBD website. Director DuBois reported that the committee will sponsor a conservation booth in Austin January 25, 2009.

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

11. **Other business matters.** Director DuBois requested a volunteer to replace the bulletin board at the Weston Lakes clubhouse. Director Zdunkewicz volunteered to purchase a new bulletin board on behalf of the Board.

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.

\* \* \*

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

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

ATTEST:

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