

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 26, 2010

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 26, 2010, 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"), 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. Kenneth Martinec of Jones & Carter, Inc. ("J&C"), engineers for the District; Mr. Trent Thomas, alderman for the City of Weston Lakes (the "City"); 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 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 28, 2010. 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 minutes of the regular meeting of September 28, 2010, as presented. Consideration was given to the minutes of the special meeting of October 19, 2010, 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 special meeting of October 19, 2010, 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, 2010, a copy of which is attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 99% of its 2009 taxes and 77.5% of its 2010 standby fees.

Mr. Byrd reported that Richard Doak is requesting a \$100.53 refund on the principal and interest ("P&I") he was charged by the District for property he sold in 2008. Mr. Byrd stated that Mr. Doak notified the Fort Bend Appraisal District ("FBAD") in 2008 of his new address and since the address change was not corrected by the FBAD, the Board can lawfully waive the P&I on Mr. Doak's account. 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 waive the \$100.53 P&I for Mr. Doak.

Upon motion by Director Pfaffenberger, 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. 2793 through 2796 from the Tax Account in the amount, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Attorney's Report.** There was no report.

4. **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*.

Mr. Holland reported that the Investment Report will revert back to the previous format because it is easier to maintain.

Upon motion by Director Pfaffenberger, seconded by Director LeBlanc, 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.

5. **Operations Report.** Mr. Wunsch reported on the preventative maintenance of the generator and noted that the automatic timer is running the generator approximately 30 minutes. Mr. Wunsch recommended that the Board approve setting the automatic timer to run the generator for five to ten minutes as now recommended by the manufacturer. 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 approve setting the automatic timer to run the generator five to ten minutes, pending Mr. Martinec's verification.

Mr. Wunsch recommended that the District approve painting the fire hydrants and noted that three hydrants will not open and need to be repaired. 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 repairing and flushing the three fire hydrants that will not open. The Board requested that painting of the fire hydrants be added to the November agenda for review.

Mr. Wunsch reported that he met with Mr. Martinec regarding the blower at the Wastewater Treatment Plant and noted that the replacement cost from the manufacturer is approximately \$22,000. Director DuBois reported that this item was approved at the September meeting.

Mr. Wunsch reviewed with the Board the invoice items and work orders and discussed the back charges.

Mr. Wunsch presented to and reviewed with the Board the Operations Report, a copy of which is attached hereto as *Exhibit D*. Mr. Wunsch reported that approximately 10 drain boxes in the District have problems with erosion. Mr. Wunsch reported that three months and 148,890,000 gallons remain on the District's Fort Bend County Subsidence District ("FBCSD") water permit. Mr. Wunsch stated that the District pumped 21,358,000 gallons of water in the month of September and that the water accountability for the month was 93.28%.

Mr. Wunsch requested Board approval to send one account to NCO for collection. Mr. Wunsch reported that 20 accounts are on the delinquent list and requested the Board's approval to disconnect the accounts on November 3, 2010, if payment is not received by 5:00 p.m. on November 2, 2010. Upon motion made and duly seconded, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report and to disconnect the accounts on the delinquent list on November 3, 2010, if payment is not received by 5:00 p.m. on November 2, 2010.

6. **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 that J&C contacted AT&T to perform needed maintenance to the interior of the AT&T substation by Water Plant No. 2. Mr. Martinec reported that J&C was notified that the maintenance was completed this week. Mr. Martinec stated that J&C requested that the site be maintained more often and AT&T responded that a technician would check the site regularly.

Mr. Martinec reported on Water Well No. 1 and noted that J&C reviewed the agreement between Sierra Golf Corporation and the District for Water Well No. 1. Mr. Martinec stated that it is J&C's understanding that Sierra is responsible for keeping the well in good condition, and the District has the right to test the well annually.

In response to a question from Director LeBlanc regarding the conflicting data on the horse power of the Water Well No. 1 motor, Mr. Martinec stated that he would follow-up on the inquiry and respond to Director LeBlanc via email. Mr. Wunsch reported that would not charge the District to run the well and noted that the cost to test the well is approximately \$300. Upon motion by Director Machen, seconded by Director Pfaffenberger, after full discussion and the question being put to the Board, the Board voted unanimously to authorize ST to run the well on a weekly basis and GM to test the well each summer.

Mr. Martinec reported that J&C submitted an updated Engineer Report of Values for District facilities for insurance purposes to Aquasurance, Anco-McDonald Waterworks Insurance, Highpoint, and Harco Insurance this month. Mr. Martinec noted that the facility values in the District did not change.

Upon motion made and duly seconded, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

7. **Distribute District insurance proposals for November selection.** The Board reviewed proposals from Aquasurance, LLC, Anco McDonald Waterworks Insurance and Highpoint Insurance Group, LLC., copies of which are attached hereto as *Exhibit F*. Director DuBois reported that he would create a summary of the policies for Board review and comparison at the November meeting. It was the consensus of the Board that insurance representatives should not attend the meeting.

8. **Public Comments.** Alderman Thomas commended the Board on the water quality.

9. **Other business matters.** Director DuBois reported that the AWBD Fall Seminar on Ethics is tonight. Director DuBois reported that a letter was sent to Mike Surface of Sierra Golf Corporation regarding the maintenance of Emergency Water Well No. 1.

Upon motion by Director Pfaffenberger, 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.

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The above and forgoing minutes were passed and approved by the Board of Directors on November 23, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors