

MINUTES OF MEETING OF BOARD OF DIRECTORS
November 25, 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 November 25, 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. 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. Pat Harris of the Weston Lakes Property Owner's Association ("POA"); Mr. Cliff Aldrich, alderman for the City of Weston Lakes; 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 October 24, 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 special meeting of October 24, 2008, as presented. Consideration was given to the minutes of the regular meeting of October 28, 2008, previously distributed to the Board. 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 minutes of the regular meeting of October 28, 2008, as presented.

2. **Approve audit for the fiscal year ended September 30, 2008.** This item was deferred.

3. **Tax Assessor and Collector's Report.** Mr. Byrd presented to and reviewed with the Board the Tax Assessor and Collector's Report for October, a copy of which is attached hereto as *Exhibit B*. Mr. Byrd reported that the District has collected 98.3% of its

2007 taxes and 85.8% of its 2008 standby fees. Mr. Byrd requested that the Board authorize execution of the Depository Pledge Agreement with Wells Fargo Bank and the custodian bank with Federal Reserve Bank of San Francisco. Upon motion by Director Machen, 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. 2207 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report, and to authorize execution of the Depository Pledge Agreement with Wells Fargo Bank and the custodian bank with Federal Reserve Bank of San Francisco.

4. **Attorney's Report.** The Board discussed the letter from the auditor and requested that Ms. Green verify that F&J received payment of \$7,020.17 for outstanding legal fees.

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 C*. Mr. Holland reported that the lock box payments were deposited into the cash account instead of the collection accounts and that the payments were reversed to correct the problem. Discussion ensued regarding the reversal of the payments. Mr. Holland noted that he and Director LeBlanc attended the investment seminar held by McCall, Gibson, PLLC in November. 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 D*.

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

Mr. Wunsch stated that the Water Smart application has not been completed. Director DuBois directed Mr. Wunsch to obtain the application from the AWBD website.

Mr. Wunsch noted that Westwood Homes paid over \$1,062.38 on their builder damages and that ST is awaiting an additional payment.

Mr. Wunsch reported that there are two months and that an additional 75,000,000 gallons of water was included on the District's Fort Bend County Subsidence District ("FBCSD") permit. Mr. Wunsch stated that the District's permit was amended last month and the District has an additional 75,000,000 gallons of water on the FBCSC permit to cover the remaining two months. Mr. Wunsch stated that the District pumped 25,255,000 gallons of water in the month of October. Mr. Wunsch reported that the water accountability for the month of October was 92.72%.

Director DuBois requested that Mr. Wunsch survey the residents in the District regarding recycling. Mr. Wunsch stated that he would investigate a post-card response that residents can return by mail to ST.

Mr. Wunsch requested the Board's approval to turn over two accounts to collections. Mr. Wunsch reported that there are 19 accounts on the delinquent list and that the accounts will be terminated on December 2, 2008 if payment is not received by 5:00 p.m. on December 1, 2008. 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 turn over two accounts to collections, to terminate service to customers on the delinquent list and to approve the Operator's Report.

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

Mr. Martinec reported on Weston Lakes, Section 19, Phase 2, and reported that the lower stage utilities are complete and the paving contractor is onsite. Mr. Martinec recommended that the Board approve Pay Estimate No. 1, in the amount of \$198,044.10, submitted by Kenneth Lamb Construction Co., Ltd. Mr. Martinec recommended that the Board approve Change Order No. 1, in the amount of \$1,500, for the installation of an eight-inch gate valve, testing of the waterline, and repairing an existing storm manhole.

Mr. Martinec reported that J&C is investigating the feasibility of increasing the capacity at Water Well No. 3 at Water Plant No. 2 to meet the ultimate capacity needs of the District. Mr. Martinec stated that the Well will require a pump test and that the approximate cost of the test is \$40,000 to \$50,000. Mr. Martinec stated that a full report for increasing the capacity at Water Well No. 3 at Water Plant No. 2 will be presented to the Board in December.

Mr. Martinec reported on the Wastewater Treatment Plant Permit and stated that the permit application is complete. Mr. Martinec requested that the bookkeeper prepare a check in the amount of \$1,215 for the TCEQ permit for the Board's signature.

Mr. Martinec reported on the roadside ditch verification and noted that J&C investigated the roadside ditch drainage issue at 4810 Wentworth Drive. Mr. Martinec stated that the ditch does not drain properly and the culvert pipe at Wentworth Drive and Weston Drive is not lower than the drain box inlet elevation at the end of the cul-de-sac.

Mr. Martinec reported that J&C completed a topographic survey and compared it to the construction plans. Mr. Martinec stated that the culvert is actually 0.27 feet higher than designed and the inlet is 0.2 feet lower than designed and that the differences are acceptable. Mr. Martinec reported that the flowline of the roadside ditch between the culvert under Weston Drive and the driveway at 4810 Wentworth Driver is higher than it should be. Mr. Martinec recommended re-grading this section of the roadside ditch to improve the drainage.

Mr. Martinec reported that Riverwood Forest is completely located in Area B of the Fort Bend Subsidence District and is not subject to surface water requirements at this time.

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

Engineer's Report and payment of the TCEQ Waste Water Treatment Plant Permit application in the amount of \$1,215.

9. **Prepare Water Smart Participation.** This item was discussed in the Operator's Report.

10. **Public Comments.** In response to a question from Mr. Harris, Mr. Wunsch reported that ST is implementing a debit payment system for water bill payments and that the program will be presented to the Board in a few months.

Mr. Aldrich introduced himself to the Board and noted that the City of Weston Lakes meeting would be forthcoming. Director DuBois stated that the District would present a Non-Abolishment Agreement to the City of Weston Lakes following the election of council members.

11. **Other business matters.** The Board discussed adding the District as an insurance beneficiary on an addendum to the POA insurance policy. Mr. Harris stated that he would make the request to the POA on behalf of the Board. Director Machen suggested that the District deed the 50-foot by 100-foot director lot of Dave Mullins to the POA in exchange for diesel access and the insurance revision.

Director Zdunkewicz reported that the bulletin board at the Weston Lakes clubhouse has been repaired by replacing the backing and securing the bulletin board with bolts. Director Zdunkewicz noted that the City of Weston Lakes can use the bulletin board until an alternate board is set up elsewhere for their use.

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 AWBD membership fees.

It was the consensus of the Board to move the December meeting to December 18, 2008 at 9:00 a.m.

The Board discussed adding a response to Riverwood Forest to the District action plan. No action was taken.

Upon motion by Director Machen, 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