

MINUTES OF MEETING OF BOARD OF DIRECTORS
August 17, 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 special session, open to the public, at the Fort Bend County Commissioner Precinct 3 Office Building, 8100 Highway 359 South, Fulshear, Texas 77441 on August 17, 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 the meeting were: Mr. Harlen Wunsch and Ms. Kendra Pratt of Severn Trent ("ST"), operators of the District's facilities; Mr. Kenneth Byrd of Equi-Tax, Inc. ("ETI"), tax assessor and collector for the District; and Mr. Cliff Kavanaugh of First Southwest Company, financial advisor 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. **Review proposed revisions to the ST water bill, and the electronic options for payment.** Ms. Pratt advised the Board of the changes to be made on the billing statements, effective the next billing period. Upon motion made by Director LeBlanc, seconded by Director Zdunkewicz, after full discussion and the question being made to the Board, the Board voted unanimously to approve the billing statement changes, effective the next billing period.

Ms. Pratt reported that the bill paying options for the residents (including credit cards, Western Union, ACH, check by phone, and electronic check) is now ready to be implemented. The Board requested that the applicable paperwork be submitted to the attorney for review.

Mr. Wunsch and Ms. Pratt left the meeting at this time.

2. **Discuss the 2010 Certified Assessed Valuation and Tax Rate.** The Board discussed the 2010 Certified Assessed Valuation and the Tax Rate. Mr. Byrd reported that the new Certified Valuation is \$259,468,178 and noted that \$18,666,526 is still under review by the appraisal district. Mr. Byrd advised that about 70% of the amount under review could be

used to derive a usable Certified Valuation of approximately \$272,000,000. The Board determined to use \$272,000,000 for the budget preparation.

Mr. Kavanaugh presented the rollback consequences in the 2010 I&S Tax Rate Analysis Report (which presented a \$0.30 I&S tax rate based on a valuation of \$272,534,746 and the resultant financial situation).. Mr. Kavanaugh explained possible scenarios of future fund requirements and resulting situations.

3. **Discuss and approve budget for the fiscal year ending September 30, 2011.** Following presentations by Mr. Byrd and Mr. Kavanaugh and Board discussion, the Board decided to reduce the debt service tax to \$0.30 per \$100 assessed valuation to pay principal and interest to service the District's debts and \$0.07 per \$100 assessed valuation to fund maintenance and operating expenditures. The budget for the fiscal year ending September 30, 2011 was then established. Director DuBois stated that he would send a copy of the new budget to all concerned. Upon motion by Director Pfaffenberger, seconded by Director Machen, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the new tax rate and the budget for the fiscal year ending September 30, 2011.

4. **Adopt Order Designating Officer to Calculate and Publish Tax Rate for 2010.** 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 Order Designating Officer to Calculate and Publish Tax Rate for 2010, a copy of which is attached hereto as Exhibit B, thereby authorizing Kenneth Byrd to publish the Board's intent to set a tax rate of \$0.37 per \$100 assessed valuation (\$0.30 per \$100 assessed valuation to pay principal and interest to service the District's debts and \$0.07 per \$100 assessed valuation to fund maintenance and operating expenditures).

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 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 August 24, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors