

MINUTES
BRAZORIA-FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

June 1, 2012

The Board of Directors (the "Board") of Brazoria-Fort Bend County Municipal Utility District No. 1 (the "District") met in regular session, open to the public, on the 1st day of June, 2012, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Michael D. Rozell	President
Vacant	Vice President
Chris Swedlund	Secretary
Karri Axtell	Assistant Vice President
Jalene Palmer	Assistant Secretary

and all of the above were present except Director Axtell, thus constituting a quorum.

Also present at the meeting were Geoffrey Pope and Terry Ruiz, residents of the District; Officer Natisha Lucas of the City of Pearland (the "City") Police Department; Rick Hale of Perry Homes ("Perry"); David Patterson of Assessments of the Southwest, Inc.; James Ross of LJA Engineering & Surveying, Inc.; Erin Garcia of Myrtle Cruz, Inc.; and Adisa Harrington and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 4, 2012, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the May 4, 2012, regular meeting, as submitted. Director Palmer seconded the motion, which passed unanimously.

CERTIFICATE OF ELECTION

The Board reviewed a Certificate of Election certifying that pursuant to the cancelled May 12, 2012, directors election, Geoffrey Pope and Terry Ruiz have been elected to the Board for four-year terms from June 1, 2012, to May 14, 2016, or until their successors have been duly elected or appointed and have qualified. After review and discussion, Director Palmer made a motion to approve the Certificate of Election and authorize distribution of the Certificate to the newly elected Board members. Director Swedlund seconded the motion, which passed unanimously.

SWORN STATEMENTS, OATHS OF OFFICE, AND OFFICIAL BONDS

The Board considered approving the Sworn Statements, Oaths of Office, and Official Bonds executed by Geoffrey Pope and Terry Ruiz in connection with their election to the Board. After review and discussion, Director Swedlund moved to approve the Sworn Statements, Oaths of Office, and Official Bonds and direct that the documents be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which passed by unanimous vote.

REORGANIZE BOARD AND ELECT OFFICERS AND AUTHORIZE FILING OF DISTRICT REGISTRATION FORM

The Board considered reorganizing the Director offices. Ms. Harrington stated that the District is required to file an updated District Registration Form with the Texas Commission on Environmental Quality reflecting the terms of office of the newly elected Directors and any changes in Director offices. After review and discussion, Director Rozell moved to (1) authorize filing of an updated District Registration Form reflecting the new terms of office, reorganization, and election of officers as follows:

Michael D. Rozell	President
Geoffrey Pope	Vice President
Terry Ruiz	Secretary
Karri Axtell	Assistant Vice President
Jalene Palmer	Assistant Secretary

and (2) direct that the Form be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which passed by unanimous vote.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Harrington distributed and reviewed a memorandum from ABHR regarding the Texas Open Meetings Act requirements, a copy of which is attached. She stated that each elected or appointed public official is required to complete a course on training responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 551 within 90 days of taking the oath of office. Ms. Harrington stated that the District's appointed officer for Public Information is required to receive training on the Texas Public Information Act. She added that ABHR is the District's officer for Public Information and has received certification of training for the Texas Public Information Act.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Ms. Harrington presented a memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code, a copy of which is attached, which requires directors and consultants to disclose certain conflicts of interest. She encouraged the Board to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure.

ENGAGE COMPANY TO CONDUCT ARBITRAGE REBATE STUDY FOR SERIES 2007 BONDS

Ms. Harrington stated that the District has received a proposal from OmniCap Group LLC to conduct an arbitrage rebate study for the \$19,000,000 Unlimited Tax Bonds, Series 2007. After review and discussion, Director Palmer moved to approve and authorize execution of the proposal from OmniCap Group LLC and direct that the proposal be filed appropriately and retained in the District's official records. Director Pope seconded the motion, which carried by unanimous vote.

SUPPLEMENTAL SECURITY SERVICES

Officer Lucas introduced herself to the Board. She reported on security in the District and discussed crime trends and preventative security measures for residents.

REPORT ON DEVELOPMENT

Mr. Hale reported on development and home sales in the District.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. He noted that the 2011 taxes were 99.27% collected as of May 31, 2012. After review and discussion, Director Rozell moved to approve the tax assessor/collector's report and payment of the tax bills. Director Palmer seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the investment report, budget comparison, and list of checks presented for approval, a copy of which is attached. She reported that the District's annual tax rebate from the City in the amount of \$666,990.14 has been received. After review and discussion, Director Palmer moved to approve the bookkeeper's report and payment of the bills. Director Ruiz seconded the motion, which passed unanimously.

DEPOSITORY PLEDGE AGREEMENT WITH WELLS FARGO BANK, N.A.

Ms. Harrington stated that Wells Fargo Bank, N.A. ("Wells Fargo") has begun using Bank of New York Mellon Trust Company, N.A. ("Bank of New York") as its safekeeping institution, and in connection with the change, has requested the District approve an updated form of Depository Pledge Agreement and a release letter allowing the District's collateral to be moved to Bank of New York. Following review and discussion, Director Ruiz made a motion to (1) approve the Depository Pledge Agreement with Wells Fargo; (2) authorize execution of the release letter; and (3) direct that the Agreement and release letter be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which carried unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming Association of Water Board Directors ("AWBD") summer conference in San Antonio from July 19-21, 2012. Ms. Garcia stated that she will provide registration information to the new directors. Director Ruiz stated that she will arrive at the AWBD summer conference on July 18, 2012, to attend the Public Funds Investment Training. After discussion, Director Ruiz moved to establish maximum limits of three director fees of office, three nights of lodging, and up to three meals a day for any director attending the AWBD summer conference, except for Director Ruiz, who will receive four director fees of office and four nights of lodging because of her attendance at the Public Funds Investment Training on July 18, 2012. Director Palmer seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. He requested the Board's authorization to design and advertise for bids for the construction of the following projects: (1) water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch Village 7, Phase 1; (2) Shadow Creek Ranch Village 7, Phase 1 lakes; (3) water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-71; and (4) water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-72.

Mr. Ross updated the Board on the construction of the water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-61 and SF-62.

After review and discussion, and based upon the engineer's recommendation, Director Palmer moved to (1) approve the engineer's report and (2) authorize the design

and advertisement for bids for the construction of the following projects: (a) water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch Village 7, Phase 1; (b) Shadow Creek Ranch Village 7, Phase 1 lakes; (c) water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-71; and (d) water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-72. Director Pope seconded the motion, which passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board then considered information to be included in the District’s monthly notice published in the Shadow Creek Area Community Newsletter; the homeowners’ association newsletter, *The Connection*; and the District’s website. After discussion, the Board concurred for ABHR to run the standard monthly notice in the newsletters directing residents to the website for information about District meetings and safety tips reminding residents (1) to install alarm systems in homes and display the alarm company’s sign in the front yard; (2) to not store valuables inside vehicles; (3) to contact the police department to request a close patrol if they are expecting to be out of town and have no one checking on their home; and (4) a reminder that all solicitors must be licensed by the City. The Board also concurred for ABHR to include a link on the District’s website to the City’s outdoor watering schedule.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Ruiz reported that a library is being constructed near Second Baptist Church.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board agreed the next meeting will be on July 6, 2012, at 12:00 p.m., at ABHR.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



Jerry Ruiz
Secretary, Board of Directors

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