

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

December 7, 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 7th day of December, 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
Geoffrey Pope	Vice President
Terry Ruiz	Secretary
Karri Axtell	Assistant Vice President
Jalene Palmer	Assistant Secretary

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

Also present at the meeting were Officers David Pratt and Wesley Boyer of the City of Pearland ("City") Police Department; Rick Hale of Perry Homes; David Patterson of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; Taylor Baumgartner of LJA Engineering, Inc.; Rod Simpson of the Shadow Creek Ranch Maintenance Association ("SCRMA"); and Adisa Harrington and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the November 2, 2012, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Axtell moved to approve the minutes of the November 2, 2012, meeting, as submitted. Director Ruiz seconded the motion, which passed unanimously.

PREPARATION OF ANNUAL REPORT

Ms. Harrington stated that the District is required to file updated financial information and operating data in the form of an annual report with the EMMA System, as designated by the Municipal Securities Rulemaking Board. She requested authorization for ABHR to work with the District's consultants to prepare the report. Following discussion, Director Ruiz moved to authorize preparation of the annual report. Director Axtell seconded the motion, which passed unanimously.

SUPPLEMENTAL SECURITY SERVICES

Officer Pratt 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, a copy of which is attached. He noted that the 2012 taxes were 5.78% collected as of November 30, 2012, and updated the Board on the delinquent Stapp tax account. After review and discussion, Director Axtell moved to approve the tax assessor/collector's report and payment of the tax bills. Director Pope seconded the motion, which passed unanimously.

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

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming Association of Water Board Directors winter conference in Austin. After review and discussion, Director Palmer moved to establish maximum limits of three director fees of office, two nights of lodging, and reasonable and necessary meals for any director attending the Association of Water Board Directors winter conference. Director Pope 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. After review and discussion, Director Axtell moved to approve the bookkeeper's report and payment of the bills. Director Palmer seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Baumgartner distributed and reviewed the engineer's report, a copy of which is attached.

Mr. Baumgartner updated the Board on the construction of Lakes 1 and 2 to serve Southlake, formerly known as Shadow Creek Ranch Village 7. He recommended

approval of Pay Estimate Nos. 2 and 3 in the respective amounts of \$271,640.09 and \$712,150.11, payable to Longhorn Excavators, Inc. ("Longhorn").

Mr. Baumgartner updated the Board on the construction of the water, sanitary sewer, and drainage facilities to serve Southlake, Phase I. He recommended approval of Pay Estimate Nos. 1 and 2 in the respective amounts of \$125,320.60 and \$308,210.68, payable to Monarch Civil Constructors, L.L.C. ("Monarch").

Following review and discussion, and based upon the engineer's recommendation, Director Ruiz moved to approve (1) the engineer's report; (2) payment of Pay Estimate Nos. 2 and 3 in the respective amounts of \$271,640.09 and \$712,150.11, payable to Longhorn in connection with the construction of Lakes 1 and 2 to serve Southlake; and (3) payment of Pay Estimate Nos. 1 and 2 in the respective amounts of \$125,320.60 and \$308,210.68, payable to Monarch in connection with the construction of the water, sanitary sewer, and drainage facilities to serve Southlake, Phase I. Director Pope seconded the motion, which carried unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board considered information to be included in the District's monthly notice published in the Shadow Creek Area Community Newsletter; the SCRMA newsletter, *The Connection*; and the District's website. After discussion, the Board directed ABHR to run the standard monthly notice in the newsletters, including information on the District's adopted 2012 tax rate, and directing residents to the website for information about District meetings.

Director Ruiz reported on the status of the new City library in Shadow Creek Ranch. She stated that, once information is available on its opening, she will provide ABHR a notice to include on the District's website.

Ms. Harrington distributed and reviewed a flyer prepared at the request of SCRMA urging concerned residents to speak during the public comments agenda item at City Council meetings or contact the City to request the temporary parking area and ball fields on the undeveloped regional park land. She stated that Brazoria County Municipal Utility District No. 26 ("MUD 26") will be posting the flyer on its website and giving the flyer to SCRMA for distribution at SCRMA meetings. A copy of the flyer is attached. Following review and discussion, Director Axtell moved to direct ABHR to post the flyer on the District's website. Director Pope seconded the motion, which carried unanimously.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Harrington distributed and reviewed a draft report prepared by MUD 26 Director Fred Weary regarding the need for parks and recreation facilities near Shadow

Creek Ranch. She stated that the final report will be presented to the City in early 2013. The Board concurred to schedule a joint meeting with MUD 26 in January or February to discuss this matter in further detail.

Ms. Harrington stated that SCRMA is conducting a survey of Shadow Creek Ranch residents and commercial businesses to obtain opinions on the installation of video surveillance equipment in the Shadow Creek Ranch area, and the results of the survey will be presented to MUD 26 at its January 8, 2013, meeting.

COMMENTS FROM THE PUBLIC


Mr. Simpson introduced himself to the Board and stated that he will attend monthly District meetings on the behalf of SCRMA.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board agreed the next meeting will be on January 11, 2013, at 12:00 p.m., at ABHR.

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




Secretary, Board of Directors

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