

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

February 1, 2013

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 1<sup>st</sup> day of February, 2013, 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 Colette Garcia of McGrath & Co., PLLC; Michael Doyle of Development Consultants, Inc. ("Development Consultants"); David Patterson of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc.; Rod Simpson of the Shadow Creek Ranch Maintenance Association; and Lynne B. Humphries and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the January 11, 2013, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Palmer moved to approve the minutes of the January 11, 2013, meeting, as submitted. Director Axtell 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.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE

The Board discussed the AWBD winter conference in Austin. Ms. Garcia noted that the directors' expenses for the AWBD winter conference were submitted in accordance with the District's travel guidelines. After review and discussion, Director Rozell moved to (1) approve reimbursement of eligible expenses for the AWBD winter conference, and (2) authorize all interested directors to attend the AWBD summer conference in Corpus Christi. Director Palmer seconded the motion, which passed unanimously.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2012

Ms. Colette Garcia reviewed the District's draft audit for the fiscal year end September 30, 2012. She then reviewed the draft management letter in connection with the audit. Following review and discussion, Director Pope moved to approve the audit for the fiscal year end September 30, 2012, subject to final comments by the Board and consultants, and direct that the audit be filed appropriately and retained in the District's official records. Director Ruiz seconded the motion, which was approved by unanimous vote.

SECURITY SERVICES REPORT

The Board reviewed the monthly security report.

REPORT ON DEVELOPMENT

There was no report on development in the District.

REQUEST FROM DEVELOPER FOR ANNEXATION

Mr. Doyle stated that the owner of a 47-acre tract of land at the southwest corner of the Shadow Creek Ranch area is interested in selling 35-acres of the tract to Development Consultants for residential purposes. He inquired about the property being annexed into the District following Development Consultants' purchase of the property. Ms. Humphries stated that the proposed annexation must be determined to be feasible by the District and approved by the City of Pearland (the "City"). After discussion, Director Palmer moved to authorize the District's consultants to proceed with a feasibility study of the 35-acre property, contingent upon the District's receipt of a \$10,000 deposit from Development Consultants. Director Axtell seconded the motion, which carried unanimously.

## 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 2012 taxes were 89.55% collected as of January 31, 2013. After review and discussion, Director Pope moved to approve the tax assessor/collector's report and payment of the tax bills. 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.

Mr. Ross reported on bids received for the clearing and grubbing to serve Southlake, formerly known as Shadow Creek Ranch Village 7. He noted that three bids were received and recommended that the Board award the contract to the low bidder, Crostex Construction, Inc. ("Crostex"), in the total bid amount of \$377,000, contingent upon validation of payment and performance bonds and insurance certificate. The Board determined that, in its judgment, Crostex is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the District's facilities. Ms. Humphries reviewed a Letter Financing Agreement related to financing of the facilities.

Mr. Ross requested authorization to prepare the plans and specifications for the construction of the following projects: (1) Southlake Phase 2 Collector Road; (2) Lakes 3, 4, and 5 to serve Southlake; (3) Southlake Section 3; and (4) Southlake Section 4.

Following review and discussion, and based upon the engineer's recommendation, Director Pope moved to (1) approve the engineer's report; (2) award the contract for the clearing and grubbing to serve Southlake to Crostex in the total bid amount of \$377,000, contingent upon validation of payment and performance bonds and insurance certificate, and approve the Letter Financing Agreement; and (3) authorize the preparation of plans and specifications for the construction of the following projects: (i) Southlake Phase 2 Collector Road; (ii) Lakes 3, 4, and 5 to serve Southlake; (iii) Southlake Section 3; and (iv) Southlake Section 4. Director Ruiz seconded the motion, which carried unanimously.

## RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Humphries stated that, due to the City proceeding with the first phase of construction for the Shadow Creek Ranch Sports Complex, the workshop scheduled with the City Council on February 25, 2013, to present the final report regarding the

need for parks and recreation facilities in or near Shadow Creek Ranch has been postponed until further notice.

AUTHORIZE RENEWAL OF INSURANCE POLICIES

Ms. Humphries stated that a proposal for renewal of the District’s insurance policies through HARCO Insurance Services will be presented at the next meeting.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board considered information to be included in the District’s monthly notice published in the Shadow Creek Community Newsletter; the newsletter, *The Connection*; and the District’s website. After review and discussion, the Board directed ABHR to prepare a notice with the standard monthly message directing residents to the website for information about District meetings, including information on the Pearland Police Department Honor Guard’s previous request for donations relating to officers’ participation in National Police Week.

Director Ruiz reported on the status of the new City library in Shadow Creek Ranch. She stated that an article about the opening of the library will be in the Shadow Creek Community Newsletter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

There were no reports from Directors or District consultants.

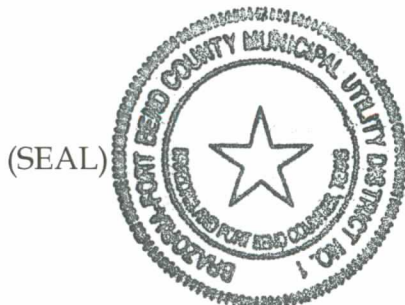
COMMENTS FROM THE PUBLIC

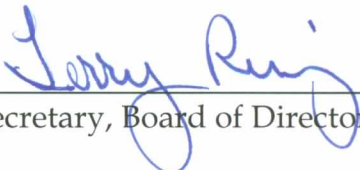
Mr. Simpson stated that he had no update on the proposed crawfish festival to be held in Shadow Creek Ranch.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board agreed the next meeting will be on March 1, 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

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
bookkeeper's report.....	1
tax assessor/collector's report .....	3
engineer's report .....	3