

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

June 7, 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 7<sup>th</sup> day of June, 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 except Directors Axtell and Palmer, thus constituting a quorum.

Also present at the meeting were Officer Wesely Boyer of the City of Pearland (the "City") Police Department; Rick Hale of Perry Homes; Rhonda Rushton 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 ("SCRMA"); and Hannah Brook and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 3, 2013, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the May 3, 2013, meeting, as submitted. Director Ruiz seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

Officer Boyer 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.

Ms. Brook presented and reviewed a Developer Reimbursement Report prepared by McGrath & Co., PLLC for the purpose of verifying the amounts to be reimbursed to Perry Homes and Gehan Homes for water and wastewater impact fees paid to the City. She stated the reimbursement is being paid from proceeds of the District's \$4,000,000 Unlimited Tax Bonds, Series 2009. After review and discussion, Director Ruiz moved to: (1) approve the Developer Reimbursement Report; (2) authorize disbursement of funds to reimburse Perry Homes and Gehan Homes in the respective amounts of \$426,980 and \$114,477, pursuant to the Developer Reimbursement Report, contingent on receipt of executed Receipts; and (3) direct that the Developer Reimbursement Report and Receipts be filed appropriately and retained in the District's official records. Director Rozell seconded the motion, which was approved by unanimous vote.

#### UPDATE ON ANNEXATION OF 35 ACRE TRACT INTO THE DISTRICT

There was no update on this item.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rushton distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. She noted that the 2012 taxes were 99.35% collected as of May 31, 2013. After review and discussion, Director Ruiz moved to approve the tax assessor/collector's report and payment of the tax bills. Director Pope seconded the motion, which passed unanimously.

#### AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH THE COLLECTION OF DELINQUENT TAXES

Ms. Brook stated that the District's delinquent tax attorney can begin collection of real property taxes that were delinquent as of July 1, 2013. After discussion, Director Rozell moved that the Board authorize the delinquent tax attorney to proceed with the collection of delinquent 2012 taxes. Director Pope seconded the motion, which passed unanimously.

#### TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming AWBD summer conference in Corpus Christi from July 20-22, 2013. After discussion, Director Pope 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 for

expenses submitted in accordance with the Guidelines. Director Ruiz 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 Rozell moved to approve the bookkeeper's report and payment of the bills. Director Pope 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 stated six bids were received for the joint District/Pearland Reinvestment Zone No. 2 ("TIRZ") construction of Lakes 3, 4, and 5 to Serve Southlake. He recommended the contract be awarded to the low bidder, Lindsey Construction, Inc. ("Lindsey"), in the amount of \$1,055,454. The Board concurred that, in its judgment, Lindsey is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Ms. Brook presented a letter financing agreement between the District and 518SCR, Ltd., an affiliate of Perry Homes, and a Joint Construction and Reimbursement Agreement among the District, the TIRZ, and 518SCR, Ltd., for the joint District/TIRZ project.

Mr. Ross requested authorization to re-design and advertise for bids for construction of the water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-54 and Shadow Creek Ranch SF-60.

Mr. Ross updated the Board on the construction of Lakes 1 and 2 to serve Southlake. He recommended approval of Pay Estimate No. 7 in the amount of \$65,497.76, payable to Longhorn Excavators, Inc. ("Longhorn").

Mr. Ross updated the Board on the construction of the water, sanitary sewer, and drainage facilities to serve Southlake, Section 1. He recommended approval of Pay Estimate No. 3 and Final in the amount of \$153,960.28, payable to Hurtado Construction Company ("Hurtado"), and final acceptance of the project.

Mr. Ross updated the Board on the construction of the water, sanitary sewer, and drainage facilities to serve Southlake, Section 2. He recommended approval of Pay Estimate No. 5 and Final in the amount of \$25,910.54, payable to Monarch Civil Constructors, L.L.C. ("Monarch"), and final acceptance of the project.

Mr. Ross updated the Board on the clearing and grubbing to serve Southlake. He recommended approval of Pay Estimate No. 2 in the amount of \$129,641.73, payable to Crostex Construction, Inc. ("Crostex"), and Change Order No. 1 in the amount of \$1,862 for removal of an existing fence.

Mr. Ross updated the Board on the status of obtaining the records of impact fee payments within the District.

Mr. Ross stated that one bid was received for the repair of the detention pond side slopes, submitted by Lindsey. He stated that the ten other contractors who attended the mandatory pre-bid did not submit bids for the project due to the Shore Links erosion protection product not being under warranty. Mr. Ross stated that Shore Links is willing to warranty the product, which was not known at the pre-bid, and discussed the District's options to proceed.

Following review and discussion, and based upon the engineer's recommendation, Director Rozell moved to: (1) approve the engineer's report; (2) award the contract for the joint District/TIRZ construction of Lakes 3, 4, and 5 to Serve Southlake to Lindsey in the amount of \$1,055,454, subject to approval of the bonds and insurance, and authorize execution of the related letter financing agreement and Joint Construction and Reimbursement Agreement; (3) authorize the engineer to re-design and advertise for bids for construction of the water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-54 and Shadow Creek Ranch SF-60; (4) approve Pay Estimate No. 7 in the amount of \$65,497.76, payable to Longhorn in connection with the construction of Lakes 1 and 2 to serve Southlake; (5) approve Pay Estimate No. 3 and Final in the amount of \$153,960, payable to Hurtado in connection with the construction of the water, sanitary sewer, and drainage facilities to serve Southlake, Section 1, and final acceptance of the project; (6) approve Pay Estimate No. 5 and Final in the amount of \$25,910.54, payable to Monarch in connection with the construction of the water, sanitary sewer, and drainage facilities to serve Southlake, Section 2, and final acceptance of the project; (7) approve Pay Estimate No. 2 in the amount of \$129,641.73, payable to Crostex, and Change Order No. 1 in the amount of \$1,862 in connection with the clearing and grubbing to serve Southlake; and (8) authorize the engineer to re-bid for the repair of the detention pond side slopes. Director Ruiz seconded the motion, which carried unanimously.

#### POSSIBLE REFUNDING BOND ISSUE FOR SERIES 2006 BONDS

Ms. Brook stated the financial advisor has put this item on hold until a later date.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Mr. Simpson stated SCRMA has organized a workshop with Michelle Smith, the City Parks Director, on Tuesday, June 18, 2013, at 7:00 p.m. at the Mary Burks Marek Elementary School cafeteria, to discuss plans for the Shadow Creek Ranch Sports Complex.

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 SCRMA's workshop with the City Parks Director on June 18, 2013.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Ruiz reported on the recently opened Pearland Westside Library.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred to reschedule next month's regular meeting for July 12, 2013, at 12:00 p.m. at ABHR, due to the July 4<sup>th</sup> holiday.

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



ASST.   
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
tax assessor/collector's report .....	2
bookkeeper's report .....	3
engineer's report .....	3