

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

December 6, 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 6th day of December, 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 Director Axtell, thus constituting a quorum.

Also present at the meeting were Taylor Gunn of Perry Homes; David Patterson of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc. ("MCI"); James Ross of LJA Engineering, Inc. ("LJA"); and Hannah Brook, Kristen Hogan, Cheryl Mailloux, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the November 1, 2013, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Ruiz moved to approve the minutes as submitted. Director Pope seconded the motion, which passed unanimously.

PREPARATION OF ANNUAL REPORT

Ms. Brook 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 Palmer made a motion to authorize preparation of the annual report. Director Rozell seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

The Board reviewed the written security report submitted by Officer Dave Pratt in advance of today's meeting. A copy of the security report is attached. Ms. Brook reported on Officer Pratt's report at the Brazoria County Municipal Utility District No. 26 ("MUD 26") meeting regarding apprehension of the person(s) suspected of burglarizing vehicles in Shadow Creek Ranch.

REPORT ON DEVELOPMENT, DEVELOPER REIMBURSEMENT REPORT, AND DISBURSEMENT OF FUNDS

Mr. Gunn reported on home building activity by Perry Homes.

The Board reviewed a developer reimbursement report prepared by McGrath & Co., PLLC for the purpose of verifying the amount to be reimbursed to Triumph Homebuilders LP ("Triumph") for water and wastewater impact fees paid to the City of Pearland (the "City"), which are being paid from proceeds of the District's \$4,000,000 Unlimited Tax Bonds, Series 2009. After review and discussion, Director Pope moved to: (1) approve the developer reimbursement report; (2) authorize disbursement of funds to reimburse Triumph in the amount of \$25,997.00 pursuant to the developer reimbursement report, contingent on receipt of an executed Receipt; and (3) direct that the developer reimbursement report and Receipt be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which was approved by unanimous vote.

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 next reviewed the delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached to the tax assessor/collector's report. 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.

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 ("AWBD") winter conference in Dallas on January 17-19, 2014. 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 AWBD winter conference. 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. Mr. Ross noted that Ms. Garcia's report does not reflect a check to Fort Bend Excavation, Inc. ("FB Excavation") in the amount of \$664,239.42 for Pay Estimate No. 2 for the rehabilitation of the detention pond side slopes. After discussion, Ms. Garcia presented an additional check for payment of such pay application.

The Board considered appointing Ms. Mary Jarmon of MCI as the District's new Investment Officer since the District's prior Investment Officer, Ms. Erin Garcia, has submitted her resignation from MCI. Ms. Brook presented a Resolution Appointing Investment Officer for the Board's consideration.

Ms. Brook stated that in accordance with the District's Investment Policy, Ms. Jarmon, as the District's new Investment Officer, is required to execute a statement that discloses any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statement will be filed with the Texas Ethics Commission. Ms. Brook presented the executed disclosure statement for the Board's consideration.

Ms. Brook stated that Exhibit A to the District's Depository Pledge Agreements with Wells Fargo Bank, Compass Bank, and Central Bank must be updated to reflect the District's new bookkeeper and Investment Officer as authorized persons to handle District funds. She presented the amended exhibits for execution and consideration.

Ms. Brook stated the Board may consider filing an updated District Registration Form at next month's meeting to reflect the District's new bookkeeping representative.

After review and discussion, Director Rozell moved to approve the bookkeeper's report and payment of the bills, including the additional check to FB Excavation in the amount of \$664,239.42 for Pay Estimate No. 2 for the rehabilitation of the detention pond side slopes, adopt the Resolution Appointing Investment Officer to appoint Ms. Jarmon as the District's Investment Officer, accept the disclosure statement pursuant to the District's Investment Policy and the Public Funds Investment Act, authorize execution of the amended exhibits to the District's Depository Pledge Agreements, and direct that such documents be filed appropriately and retained in the District's official records. Director Ruiz 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 presented, reviewed, and recommended approval of the following: (1) Pay Estimates Nos. 4 and 5, payable to Lindsey Construction, Inc., in the amounts of \$191,974.55 and \$135,855.51, respectively, for the construction of Lakes 3, 4, and 5 to serve Southlake; (2) Pay Estimate No. 2, payable to FB Excavation in the amount of \$664,239.42 for the rehabilitation of the detention pond side slopes; and (3) Pay Estimate No. 2, payable to FB Excavation, in the amount of \$151,200.00 for the clearing and grubbing to serve Shadow Oaks, Phase 1.

Mr. Ross reported on the rehabilitation of the detention pond side slopes. In response to a question from Director Rozell, Mr. Ross said he would report next month on the warranty for the materials used to reinforce the pond walls.

Mr. Ross said Jones-Heroy & Associates, Inc. continues to work on preparation of bond application no. 6 for submission by the end of the year.

Following review and discussion, Director Pope moved to approve the engineer's report and take the following actions, based upon the engineer's recommendation: (1) approve Pay Estimates Nos. 4 and 5 in the amounts of \$191,974.55 and \$135,855.51, respectively, for the construction of Lakes 3, 4, and 5 to serve Southlake; (2) approve Pay Estimate No. 2 in the amount of \$664,239.42 for the rehabilitation of the detention pond; and (3) approve Pay Estimate No. 2 in the amount of \$151,200.00 for the clearing and grubbing to serve Shadow Oaks, Phase 1. Director Ruiz seconded the motion, which carried unanimously.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Brook reported on the City's approval of an agreement with MUD 26 for MUD 26 to install and maintain temporary multi use ball fields on City property designated for development of a future phase of the City's park plan. She said the City is still considering options for funding the water, sewer, and drainage costs to serve its park development.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Ruiz reported on new commercial establishments in the District. She noted the City Manger is retiring at the end of the year and library circulation remains robust.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

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 Connection* newsletter, and on the District's page of the website. After discussion, the Board concurred for ABHR to include the District's standard notice in the newsletters. The Board then reviewed an analytics report on activity on the website for the prior month. A copy of the November analytics report is attached.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board considered the next meeting date and concurred to schedule for January 10, 2014, 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

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Security report.....	2
Tax assessor/collector's report	2
Bookkeeper's report.....	3
Engineer's report.....	4
Analytics report.....	5