

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

June 3, 2011

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 3rd day of June, 2011, 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:

Tamara Miller Lee	President
Vacant	Vice President
Jalene Palmer	Secretary
Michael D. Rozell	Assistant Vice President
Chris Swedlund	Assistant Secretary

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

Also present at the meeting were Karri Axtell, a resident of the District; Rhonda Rushton of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering & Surveying, Inc.; and Lynne B. Humphries and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 6, 2011, regular meeting, which were provided in advance of the meeting. After review, Director Swedlund moved to approve the minutes as submitted. Director Rozell seconded the motion, which passed unanimously.

DATE FOR JULY MEETING DUE TO HOLIDAY

The Board discussed the District's July meeting date and concurred to reschedule the July meeting for July 8, 2011, due to the July 4th holiday.

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 Fort Worth. Director Swedlund said his firm pays his expenses for attending AWBD conferences. Director Palmer said her company pays one half of her expenses for attending AWBD conferences. After discussion, Director Swedlund moved to establish maximum limits of three director

fees of office, three nights of lodging, and up to six meals for any director attending the AWBD summer conference. Director Rozell seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

Ms. Humphries reported on discussions with Perry Homes ("Perry") regarding approximately 315 undeveloped acres and platted and partially developed lots within Shadow Creek Ranch Sections 45B, 45C, 49, 52, 54, 55A, 55B, 60, 61 and 62, all within the District, that Perry has under contract for purchase from Shadow Creek Ranch Development Company, Limited Partnership (the "Master Developer"). She presented an Assignment of Reimbursables and Consent to Assignment ("Assignment") reflecting the assignment the Master Developer's reimbursables associated with the above-described property to Perry and the District's consent to same, subject to Perry acquiring the property. Ms. Humphries next presented a Development Financing Agreement between the District and Perry reflecting the terms for reimbursement of costs associated with public water, sewer, and drainage facilities to serve the property to be acquired and developed by Perry. She then presented a Waiver of Special Appraisal for execution by Perry. After review and discussion, Director Rozell moved to authorize execution of the Assignment reflecting the District's consent, approve the Development Financing Agreement with Perry, and authorize acceptance and execution of the Waiver of Special Appraisal to be executed by Perry. Director Swedlund seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS AND AUTHORIZATION FOR DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

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 2010 taxes were 98.59% collected as of May 31, 2011. Ms. Rushton said the District's 2010 delinquent tax accounts as of July 1, 2011, will be turned over to the delinquent tax attorney at the end of the month to pursue collection. After review and discussion, Director Rozell moved to approve the tax assessor/collector's report and authorize the delinquent tax attorney to proceed with collection of delinquent taxes. 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 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 Palmer seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, noting there were no action items for the Board's consideration. A copy of the engineer's report is attached. Mr. Ross discussed the four sections totaling 714 lots that are partially developed and included in the property under contract for purchase by Perry. He said he is working closely with Perry to provide requested information about the development. Ms. Humphries presented a letter to the City regarding the unsightliness of the City's water plant located near the intersection of Shadow Creek Parkway and FM 521, as authorized at last month's meeting. After review and discussion, Director Palmer made a motion to approve the engineer's report and authorize execution of the letter to the City. Director Swedlund seconded the motion, which passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE AND COST SHARING AGREEMENT WITH BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26 FOR JOINT WEBSITE

The Board directed ABHR to include a notice regarding the new joint website and District meetings in the next issues of the Shadow Creek Area Community Newsletter and the homeowners association newsletter, *The Current*.

SUPPLEMENTAL SECURITY SERVICES

Ms. Axtell said she is pleased with the police presence in the District.

CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

At 12:33 p.m., Director Lee announced that the Board would meet in executive session to deliberate the appointment of a public officer.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

At 1:00 p.m., Director Lee announced that the Board would re-convene in open session. Upon reconvening in open session, the Board concurred to appoint Karri Axtell to the Board to fill the unexpired term ending May, 2014. The Board directed ABHR to notify Geoffrey Pope of the Board's decision and that the Board encourages him to continue attending District meetings.

APPOINTMENT OF REPLACEMENT DIRECTOR

Ms. Axtell re-entered the meeting. Ms. Humphries presented a Sworn Statement, Official Bond, and Oath of Office for execution by Ms. Axtell in connection with her appointment to the Board.

After discussion, Director Palmer moved to appoint Karri Axtell to the Board to fill the unexpired term ending May, 2014, accept the Sworn Statement, Oath of Office, and Official Bond executed by Director Axtell, and authorize execution and filing of the District Registration Form reflecting the new Director and the new Director positions listed above. The motion was seconded by Director Rozell and passed unanimously.

The Board then considered reorganizing. Ms. Humphries stated that the District is required to file an updated District Registration Form with the Texas Commission on Environmental Quality reflecting the new District Director and any changes in Director positions. After discussion, the Board concurred to reorganize as follows:

Michael D. Rozell	President
Tamara Miller Lee	Vice President
Chris Swedlund	Secretary
Jalene Palmer	Assistant Secretary
Karri Axtell	Assistant Vice President

Ms. Humphries presented a memorandum to Ms. Axtell regarding the Open Meetings Act and Public Information Act training requirements. She stated that each elected or appointed public official is required to complete a course of training regarding 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. Axtell said she previously completed the required course of training related to the Texas Open Meetings Act. She presented a copy of her certificate of completion of the required training course for the District's files.

Ms. Humphries discussed the requirements for directors and consultants to disclose certain conflicts of interest, pursuant to Chapter 176 of the Texas Local Government Code. She reviewed a memorandum with Ms. Axtell along with the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176. After discussion, the Board concurred Ms. Axtell should review the forms and file the necessary forms with ABHR for any disclosable conflicts.

COMMENTS FROM THE PUBLIC

There were no public comments.

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



ASST. VP *John A. Kelly*
~~Secretary~~, Board of Directors

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