

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

November 2, 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 2nd day of November, 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 Rick Hale of Perry Homes; Mark McGrath of McGrath & Co., PLLC ("McGrath"); David Patterson of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc.; and Lynne B. Humphries, Michelle Bryan, and Janet Swartz of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the October 4, 2012, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Ruiz moved to approve the minutes of the October 4, 2012, meeting, as submitted. Director Axtell seconded the motion, which passed unanimously.

SUPPLEMENTAL SECURITY SERVICES

Ms. Humphries updated the Board on the installation of video surveillance equipment in the Shadow Creek Ranch area. She stated that it was inaccurately reported that the Shadow Creek Ranch Maintenance Association ("SCRMA") has agreed to fund the installation of video surveillance equipment in the Shadow Creek Ranch area, contingent upon the District and Brazoria County Municipal Utility District No. 26 funding the necessary erosion repairs of the detention ponds. Ms. Humphries stated that SCRMA will conduct a survey of Shadow Creek Ranch residents to obtain residents' opinions on the installation of video surveillance equipment in the Shadow

Creek Ranch area, and the results of the survey will be evaluated by SCRMA before any further action is taken.

The Board reviewed the security report for October.

REPORT ON DEVELOPMENT

Mr. Hale reported on development and home sales in the District.

Mr. McGrath presented and reviewed a Developer Reimbursement Report prepared by McGrath for the purpose of verifying the amount to be reimbursed to 741SCR, Ltd. in connection with costs relating to the District's \$4,535,000 Unlimited Tax Bonds, Series 2012. After review and discussion, Director Palmer moved to (1) approve the Developer Reimbursement Report; (2) authorize disbursement of funds to reimburse 741SCR, Ltd. in the amount of \$2,557,564, 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 Ruiz seconded the motion, which was approved by unanimous vote.

Mr. McGrath presented and reviewed a Developer Reimbursement Report prepared by McGrath for the purpose of verifying the amount to be reimbursed to Westin Homes and Properties, L.P. for water and wastewater impact fees paid to the City of Pearland (the "City"). He 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 Palmer moved to (1) approve the Developer Reimbursement Report; (2) authorize disbursement of funds to reimburse Westin Homes and Properties, L.P. in the amount of \$18,704, 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 Ruiz 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, a copy of which is attached. He noted that the 2012 taxes were 1.38% collected and the 2011 taxes were 99.75% collected as of October 31, 2012. Ms. Humphries requested that Mr. Patterson present an update on delinquent tax collections from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. at the next meeting. After review and discussion, Director Ruiz moved to approve the tax assessor/collector's report and payment of the tax bills. 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, budget comparison, and list of checks presented for approval, a copy of which is attached. She discussed the District's available surplus funds proceeds. After review and discussion, Director Axtell moved to approve the bookkeeper's report and payment of the bills. 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 updated the Board on the construction of the water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-61 and SF-62. He recommended approval of (1) Pay Estimate No. 6 and Final in the amount of \$54,263.83, payable to C.E. Barker, Ltd. ("C.E. Barker"); (2) Change Order No. 1 in the amount of \$9,200 for clearing required for placement of utility spoils; and (3) final acceptance of the project.

Mr. Ross 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 No. 1 in the amount of \$59,940, payable to Longhorn Excavators, Inc. ("Longhorn").

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 No. 6 and Final in the amount of \$54,263.83, payable to C.E. Barker, and Change Order No. 1 in the amount of \$9,200 in connection with the construction of the water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch SF-61 and SF-62, and final acceptance of the project; and (3) payment of Pay Estimate No. 1 in the amount of \$59,940, payable to Longhorn in connection with the construction of Lakes 1 and 2 to serve Southlake. Director Palmer 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/HOA 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.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

There were no reports from Directors or District consultants.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board agreed the next meeting will be on December 7, 2012, at 12:00 p.m., at ABHR.

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



Jerry Ruiz
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