

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

August 2, 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 2nd day of August, 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 Cathy Brittain-Drew of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc.; and Hannah Brook and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the July 12, 2013, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the July 12, 2013, meeting, as submitted. Director Pope seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

The Board reviewed the monthly security report.

RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF THE FORT BEND CENTRAL APPRAISAL DISTRICT (THE "APPRAISAL DISTRICT")

Ms. Brook discussed the process for casting the District's allocated votes for a water district nominee to appear on the ballot in the Appraisal District's Board election. She presented a District ballot from the Appraisal District reflecting five allocated votes, noting a deadline of August 15th to cast the votes. After review and discussion, Director

Rozell moved to: (1) adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the Fort Bend Central Appraisal District, casting the District's five votes for Albert Glover to appear on the ballot; and (2) direct that the Resolution be filed appropriately with the Appraisal District and retained in the District's official records. Director Ruiz seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

There was no report on development in the District.

Ms. Brook presented and reviewed a Developer Reimbursement Report prepared by McGrath & Co., PLLC for the purpose of verifying the amount to be reimbursed to Perry Homes for water and wastewater impact fees paid to the City of Pearland (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 Palmer moved to: (1) approve the Developer Reimbursement Report; (2) authorize disbursement of funds to reimburse Perry Homes in the amount of \$345,566, 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.

UPDATE ON ANNEXATION OF 35-ACRE TRACT INTO THE DISTRICT, PETITION FOR ADDITION OF CERTAIN LAND, FEASIBILITY HEARING ON ANNEXATION, AND PETITION FOR CONSENT TO ANNEX LAND

Mr. Ross updated the Board on the annexation of a 35-acre tract of land at the southwest corner of the Shadow Creek Ranch area into the District. He stated the submittal package to the City is expected to be finalized next week.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Brittain-Drew 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 99.6% collected as of July 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.

FINANCIAL AND BOOKKEEPING MATTERS AND SCHEDULE BUDGET, TAX, AND FINANCING WORKSHOP RELATED TO FISCAL YEAR ENDING SEPTEMBER 30, 2014

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 reported that the District's annual tax rebate from the City in the amount of \$705,913.04 has been received.

The Board discussed the possibility of conducting a special meeting to discuss the tax rate, financing plans, and the District's budget for fiscal year ending September 30, 2014. Following discussion, the Board concurred to consider conducting a special meeting following the Board's review of the draft budget at the September 6, 2013, meeting.

After review and discussion, Director Ruiz 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, a copy of which is attached.

Mr. Ross reported on bids received for the joint District/ Pearland Reinvestment Zone No. 2 ("TIRZ") construction of Shelton Ridge Lane Phase 2 Gulf Coast Water Authority Canal Bridge. He noted that two bids were received and recommended the Board award the contract to the low bidder, Mendade, Inc. ("Mendade"), in the total bid amount of \$396,964.50, subject to approval of bonds and insurance. The Board determined that, in its judgment, Mendade 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 reviewed a Letter Financing Agreement related to financing of the project.

Mr. Ross reported on bids received for construction of the water, sanitary sewer, and drainage facilities to serve Southlake, Section 3 and Section 4. He noted that four bids were received and recommended the Board award the contract to the low bidder, 5758 Construction, L.P. ("5758 Construction"), in the total bid amount of \$643,262, subject to approval of bonds and insurance. The Board determined that, in its judgment, 5758 Construction 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. Brook reviewed a Letter Financing Agreement related to financing of the facilities.

Discussion ensued regarding the repair of the detention pond side slopes. Ms. Brook stated that pursuant to 30 T.A.C. § 293.83(c)(3), no notice is required to be sent to the Texas Commission on Environmental Quality for the District to use surplus maintenance tax funds to finance the project. The Board then reviewed bids received for the project. Mr. Ross noted that three bids were received and recommended the Board

award the contract to the low bidder, Fort Bend Excavation, Inc. ("Fort Bend Excavation"), in the total bid amount of \$1,224,999.90, subject to approval of bonds and insurance. The Board determined that, in its judgment, Fort Bend Excavation 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. Mr. Ross noted a Letter Financing Agreement is not necessary since the project is being financed directly by the District.

Mr. Ross requested the Board authorize design, approve the plans and specifications, and authorize advertisement for bids for the clearing and grubbing to serve Shadow Oaks Clearing Phase 1.

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

Following review and discussion, and based upon the engineer's recommendation, Director Palmer moved to: (1) accept the engineer's report; (2) award the contract for construction of Shelton Ridge Lane Phase 2 Gulf Coast Water Authority Canal Bridge to Mendade in the amount of \$396,964.50, subject to approval of bonds and insurance, and approve the related letter financing agreement; (3) award the contract for construction of the water, sanitary sewer, and drainage facilities to serve Southlake, Section 3 and Section 4 to 5758 Construction in the amount of \$643,262, subject to approval of bonds and insurance, and approve the related letter financing agreement; (4) award the contract for the repair of the detention pond side slopes to Fort Bend Excavation in the amount of \$1,224,999.90, subject to approval of bonds and insurance; and (5) authorize the design, approve the plans and specifications, and authorize advertisement for bids for the clearing and grubbing to serve Shadow Oaks Clearing Phase 1. Director Ruiz seconded the motion, which carried unanimously.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

There was no discussion on this item.

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.

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 noted the next meeting will be on September 6, 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

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