

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

April 4, 2014

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 4th day of April, 2014, 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 Taylor Gunn of Perry Homes, LLC; Craig Rathmann of Rathmann & Associates, L.P. ("Rathmann"); Michael Doyle of Development Consultants, Inc.; Donna Bryant of Assessments of the Southwest, Inc.; Christina Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Brooks Hamilton, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the March 7, 2014, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes as presented. Director Palmer seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

The Board reviewed the written security report for Shadow Creek Ranch submitted by Officer Wes Boyer in advance of today's meeting. A copy of the security report is attached.

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

Mr. Gunn reported on the construction and homebuilding, including sales, in the Perry Homes sections.

Mr. Doyle reported on construction and homebuilding in the Newmark Homes section of the District.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Bryant distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. She stated 98.79% of the District's 2013 taxes had been collected as of February 28, 2014. She 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 Ruiz moved to approve the tax assessor/collector's report and payment of the tax 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 requested authorization to design the water, sewer, and drainage facilities to serve Shadow Grove Phase 2, formerly known as Shadow Oaks Phase 1. Mr. Ross requested authorization to advertise for bids for the clearing and grubbing of the same.

Mr. Ross then recommended approval of the following: (1) Pay Estimate No. 1 in the amount of \$339,715.26 for the construction of the water, sewer, and drainage facilities to serve Shadow Creek Ranch SF-63A, payable to Hurtado Construction Company; and (2) Pay Estimate No. 2 in the amount of \$786,554.71 for the construction of the water, sewer, and drainage facilities to serve Shadow Oaks Section 1, payable to Clearwater Utilities, Inc.

Ms. Humphries reported bond application no. 6 has been approved by the Texas Commission on Environmental Quality, who has issued a Technical Memorandum, with which the Board concurs, and An Order (Draft) Approving an Engineering Project and the Issuance of \$7,395,000 in Unlimited Tax Bonds.

Mr. Ross distributed and reviewed a preliminary cost summary for bond application no. 7, a copy of which is attached.

The Board discussed the possibility of authorizing LJA to inspect the District's facilities and submit a report to the City. Mr. Ross answered questions from the Board regarding the outcome of Brazoria Municipal Utility District No. 26's ("MUD 26") submittal of an inspection report in 2011. Following review and discussion regarding limitations on the City's budget and the District's liability with regard to the facilities, the Board concurred to take no action until an evaluation can be made as to the results of MUD 26's submittal of its report.

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) authorize design of the water, sewer, and drainage facilities to serve Shadow Grove Phase 2, formerly known as Shadow Oaks Phase 1; (2) authorize advertisement for bids for clearing and grubbing of Shadow Grove Phase 2, formerly known as Shadow Oaks Phase 1; (3) approve Pay Estimate No. 1 as presented for the construction of the water, sewer, and drainage facilities to serve Shadow Creek Ranch SF-63A; and (4) approve Pay Estimate No. 2 as presented for the construction of the water, sewer, and drainage facilities to serve Shadow Oaks Section 1. Director Axtell seconded the motion, which carried unanimously.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Humphries reminded the Board of the cost sharing agreement between MUD 26 and the District for development of a 5 acre tract into a park site with temporary ball fields (the "park site"). Discussion ensued regarding the division of cost and labor between LJA and KGA/Deforest Design, L.L.C. ("KGA"). Mr. Ross stated he will provide updates to MUD 26 and the District regarding cost and progress. Following review and discussion, Director Ruiz moved to approve MUD 26's authorization of LJA's solicitation of bids for clearing and leveling of the park site and MUD 26's authorization of KGA to provide a proposal for the design and construction of the temporary ball fields. Director Axtell seconded the motion, which passed unanimously.

UNLIMITED TAX REFUNDING BONDS, SERIES 2014

Mr. Rathmann reviewed an overview of a refunding opportunity, a copy of which is attached.

Director Ruiz left the meeting. Ms. Bryant left the meeting.

ACKNOWLEDGE DISCLOSURE LETTER PROVIDED UNDER THE MUNICIPAL SECURITIES RULEMAKING BOARD RULES

Mr. Rathmann discussed a letter to the Board regarding the services Rathmann will be providing in connection with the issuance of the Unlimited Tax Refunding Bonds, Series 2014 (the "Series 2014 Refunding Bonds"). Following review and discussion, Director Axtell moved to acknowledge Rathmann's letter, authorize the President to execute the letter, and direct that the letter be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which was approved by unanimous vote.

Mr. Gunn left the meeting. Mr. Ross left the meeting.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZE PURCHASE OF INSURANCE AND APPLICATION FOR RATING

Mr. Rathmann reviewed an analysis of potential savings and all associated costs, a copy of which is attached and a draft of the Preliminary Official Statement regarding the Series 2014 Refunding Bonds, a copy of which is attached. Following review and discussion, Director Axtell moved to approve proceeding with the refunding and the Preliminary Official Statement, subject to final review by the directors and consultants. Director Palmer seconded the motion, which was approved by unanimous vote.

DESIGNATE UNDERWRITER

The Board discussed the selection of an underwriter for the Series 2014 Refunding Bonds. Following discussion, Director Axtell moved to approve designation of RBC Capital Markets and SAMCO Capital Markets, Inc. as the District's underwriters, based upon the recommendation of Mr. Rathmann. Director Palmer seconded the motion, which was approved by unanimous vote.

APPOINT PAYING AGENT/REGISTRAR

The Board discussed appointing a Paying Agent/Registrar for the Series 2014 Refunding Bonds. Following review and discussion, Director Axtell moved to appoint The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar. Director Palmer seconded the motion, which was approved by unanimous vote.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2014 AND AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE SALE OF THE BONDS

Ms. Humphries reviewed a Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2014. The Board discussed the issuance of the Series 2014 Refunding Bonds. Following review and discussion, Director Axtell moved to (1) approve the delegation of authority to Director Rozell to approve the sale of the Series 2014 Refunding Bonds subject to parameters approved by the Board; (2) approve the delegation of authority to Director Pope in the event Director Rozell is unable to perform said duty; (3) authorize the financial advisor to proceed with the sale of the Series 2014 Refunding Bonds in a principal amount not to exceed \$2,605,000 and subject to a present value savings of at least 4%; (4) adopt the Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2014; and (5) authorize the Board of Directors to sign all documents relating to the sale of the bonds. Director Palmer seconded the motion, which was approved by unanimous vote.

AUTHORIZE THE DISTRICT'S ATTORNEY AND THE FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2014

Following discussion, Director Axtell moved to authorize the District's attorney and financial advisor to take all necessary action in connection with the issuance of the District's Series 2014 Refunding Bonds. Director Palmer seconded the motion, which was approved by unanimous vote.

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 Axtell moved to approve the bookkeeper's report and payment of the bills. Director Palmer seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Humphries stated there was nothing to report under 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 Connection* newsletter, and on the District's page of the website. After discussion, the Board concurred for ABHR to submit the District's standard notice. The Board then reviewed an analytics report on activity on the website for the prior month. A copy of the March website analytics report is attached.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

No reports were presented.

COMMENTS FROM THE PUBLIC

No members of the public came forward to address the Board.

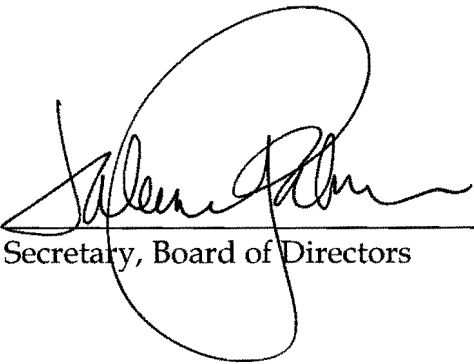
DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the District will hold a special meeting on April 16, 2014 at 12:00 p.m., to approve a Preliminary Official Statement for bond application no. 6, at ABHR, and a regular meeting on April 29, 2014 at 12:00 p.m., at ABHR, to sell the new money bonds and conduct all other regular business, in lieu of a May 2, 2014 meeting.

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

(SEAL)




Assistant Secretary, Board of Directors

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