

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS**

February 12, 2014

STATE OF TEXAS §
COUNTY OF FORT BEND §
BIG OAKS MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Big Oaks Municipal Utility District of Fort Bend County, Texas (the "District"), met in regular session, open to the public, on Wednesday, February 12, 2014, at Coats|Rose, 3 East Greenway Plaza, Suite 2000, Houston, a designated meeting place outside the boundaries of the District, whereupon, the roll was called of the members of the Board, to-wit:

Michael Abshire	-	President
Rosanne Burgess	-	Vice President
Bernice Black	-	Secretary
Renee Gay	-	Assistant Secretary
Sonyan Stephens	-	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also present at the meeting were Kayla Rucker of Myrtle Cruz, Inc., the District's bookkeeper; Lina Loaiza of Bob Leared Interests, the District's tax collector ("TAC"); Teri Schoener and Bart Downum of Texas Operations and Professional Services ("TOPS"); Matt Carpenter of IDS Engineering Group, ("IDS") the District's engineer ("the Engineer"); Les Griffith of Champions Hydro-Lawn, Inc. ("Champions"); John Cannon, Attorney, and Tiffany Marquez, Paralegal, of Coats Rose, P.C., the District's legal counsel.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. A copy of the posted agenda notice is attached hereto as Exhibit "A".

RECEIVE COMMENTS FROM THE PUBLIC

Ms. Schoener reported that a resident incurred penalties and fees to their water bill due to unusual circumstances and although she credited said resident \$43.05 towards the penalties and fees, the resident may attend the meeting to ask for additional credits.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the meeting held January 8, 2014, which were previously distributed to the Board. After discussion, upon a motion by Director Black and seconded by Director Abshire, the Board voted unanimously to approve the minutes of the regular meeting held January 8, 2014.

BOOKKEEPER'S REPORT

The Board next recognized Ms. Rucker, who presented for the Board's review and approval, the bookkeeper's report, a copy of which is attached hereto as Exhibit "B". She noted that the District's bond account tracking currently has an error and will be corrected.

After discussion, upon a motion brought by Director Gay, seconded by Director Burgess, the Board unanimously voted to approve the bookkeeper's report.

APPROVE TAX COLLECTOR'S REPORT

The Board recognized Ms. Loaiza who delivered the tax collection report for the period ending January 31, 2014. She reported that 94.512% of the 2013 taxes have

been collected. Ms. Loaiza reported that BLI is changing banks from Comerica Bank to Wells Fargo. She stated that Comerica will be charging banking fees but Wells Fargo will not. Ms. Loaiza presented a Depository Pledge Agreement for the Board to execute.

After discussion and upon motion by Director Burgess, seconded by Director Abshire, and the question being put to the Board, the Board voted unanimously to approve the tax collector's report and termination of water service to the delinquent accounts. A copy of the tax report is attached hereto as Exhibit "C".

Consider imposing 20% penalty on all 2013 delinquent taxes

Mr. Cannon discussed with the Board the District's authority to grant tax exemptions and discussed the District's authority to apply a 20% penalty to delinquent tax accounts. He then advised the Board that the District is authorized as a taxing authority to engage a delinquent tax attorney to collect delinquent taxes on behalf of the District.

Mr. Cannon said that delinquent accounts become subject to collection by the delinquent tax attorney as of April 1 for personal property and July 1 for real property. Mr. Cannon further noted that the 20% penalty is applied to delinquent accounts to offset the expenses incurred by the District for delinquent tax collection.

Following discussion, upon a motion brought by Director Abshire, seconded by Director Black, the Board voted unanimously to approve and adopt the Resolution Implementing a 20% Penalty for 2013 Delinquent Taxes, and to hire Coats|Rose to collect delinquent taxes for the District.

Consider granting tax exemption for 2014 tax year

Mr. Cannon discussed with the Board the District's authority to grant tax exemptions to eligible taxpayers in the District. Mr. Cannon answered questions and responded to comments from Board members concerning tax exemptions. He reminded the Board that in the years the district has exempted from ad valorem taxation by the District \$10,000 of the appraised value of residence homesteads of individuals who are sixty-five years of age or older or disabled.

Following discussion, upon a motion by Director Abshire, which was seconded by Director Black, the Board voted unanimously to adopt the Resolution Concerning 2014 Tax Exemptions, electing not to grant any exemptions for tax year 2014.

OPERATOR'S REPORT

The Board recognized Ms. Schoener who presented the operator's report for January, 2014 a copy of which is attached hereto as Exhibit "D". During the month of December, the water well was inspected to ensure proper operation and monitor water usage and the total number of connections is at 2,145. She also reported that the water accountability average is at 97.1%. All water system samples reported negative for bacteriological contamination. She noted that the ammonia in the water was high and a letter was sent to the Texas Commission of Environmental Quality regarding the matter. Ms. Schoener then reviewed the operations charges of \$64,476.89 and the cash summary for January, 2014.

Next, Ms. Schoener reported that the Section 1 of pipe repairs were nearly complete. Mr. Cannon noted that funds for such repairs will be paid out of the District's capital projects account.

After consideration, upon a motion brought by Director Black, seconded by Director Stephens, the Board unanimously voted to approve the Operator's report as presented.

HEAR REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

The Board recognized Mr. Griffith who gave a report on maintenance of the Twin Oaks Detention Pond and Channel, the West Oaks Village Detention Pond, and the Bellaire Common Area, a copy of which is attached hereto as Exhibit "E".

Next, Mr. Griffith presented a proposal and a template of the "No Trespassing/ No Motorizing Vehicles" sign for the Board's consideration, a copy of which is attached as Exhibit "F". The Board discussed additional signage around the District's detention pond to include "No Swimming, and "Catch & Release Only". In addition, the Board considered adding signs near the school as well. After consideration, upon a motion brought by Director Abshire, seconded by Director Gay, the Board approved the template for the motorized vehicle signs subject to the quantity of signs needed.

ENGINEER'S REPORT

Mr. Carpenter presented the engineer's report, a copy of which is attached hereto as Exhibit "G". He stated that he is working on a capital improvements plan that will outline the approximate costs of projects. A summary of the status of various projects in the District is as follows:

1. MS4 Storm Water Quality Management Plan

The new storm water discharge permit will require that the District update and/or revise its current storm water quality management plan. IDS is working to revise

the existing storm water quality management plan, and will have it submitted to the TCEQ prior to the deadline of June 9, 2014.

2. Sanitary Sewer and Storm Sewer Cleaning and Televising

The Operator is nearly complete with the repairs for Phase 1. IDS is preparing plans and contract document for Phase 2 televising and cleaning. IDS requested authorization to advertise the project for bids.

3. Jogging Trail System

Construction is complete. At the last meeting, IDS determined that the amount of Pay Applications 10 and 11 were not correct. IDS has asked the contractor to revise their pay applications, prior to the District making payment. To date, IDS has not received the corrected pay applications.

The District has made payments to the contractor for Pay Application Nos. 4-9 in the total amount of \$354,891.59. IDS will be recommending payment be made for Pay application Nos. 10 and 11/Final in the amount of \$51,658.58 and \$45,172.25, respectively. The final contract amount for the project is \$451,722.42.

4. Overlook at the West Oaks Pond

Construction plans are being modified to accommodate a roof. The initial design of the structure will not accommodate a closed roof, so the design of the footings is being updated so that a closed roof can be accommodated. Once the design is complete, IDS will solicit bids for the project.

5. Water Valve Survey

IDS has prepared preliminary maps and the Operator is working to locate a few additional valves that were not collected in the initial survey.

6. Wastewater Discharge Permit

The permit application has been submitted to TCEQ.

After consideration, upon a motion brought by Director Abshire, seconded by Director Black, the Board unanimously voted to (i) authorize the engineer to move forward with the Sanitary Sewer and Storm Sewer Cleaning and Televising; and (ii) approve the Engineer's report as presented.

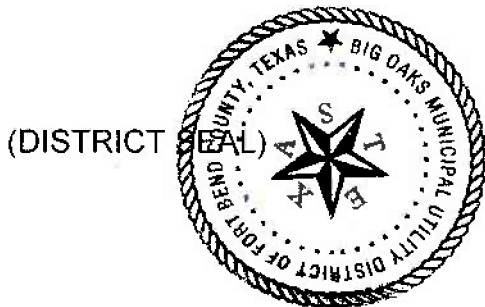
HEAR ATTORNEY'S REPORT AND CONSIDER TAKING ANY ACTION REQUESTED BY ATTORNEY

Mr. Cannon reported that he believes the District's garbage contract may be coming up for renewal. The District will discuss the matter further at its next meeting.

SUCH OTHER MATTERS AS MAY COME BEFORE THE BOARD

No action was taken on this matter.

PASSED, APPROVED AND ADOPTED this 12th day of March, 2014.




Secretary, Board of Directors