

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

August 13, 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, August 13, 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:

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|-----------------|---|---------------------|
| 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, except Director Gay thus constituting a quorum. Also present at the meeting were: Jeff DuPont, Scott Spidle and Teri Schoener of U. S. Water Utility Group; Drew Masterson of First Southwest Company, the District's Financial Advisor; Karrie Kay of Myrtle Cruz, Inc., the District's bookkeeper; Lina Loaiza and Stacy Wagner of Bob Leared Interests, the District's tax collector ("TAC"); Jaison Sanwald, D.J. White and Gene Connor of Texas Operations and Professional Services ("TOPS"); Matt Carpenter of IDS Engineering Group, ("IDS") the District's engineer ("the Engineer"); Joe Mattingly of Champions Hydro Lawn, Inc. ("Champions"); John Cannon,

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".

APPROVAL OF MINUTES

The Board considered approval of the minutes of the meeting held July 9, 2014, After discussion, upon a motion by Director Black and seconded by Director Burgess, the Board voted unanimously to approve the minutes of the regular meeting held July 9, 2014.

BOOKKEEPER'S REPORT

The Board next recognized Ms. Kay, who presented for the Board's review and approval, the bookkeeper's report, a copy of which is attached hereto as Exhibit "B". Ms. Kay also presented and outlined an Amendment to the Bookkeeper's contract ("Amendment") and requested the Board's approval after review. A copy of said Amendment is attached hereto as Exhibit "C".

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

APPROVE TAX COLLECTOR'S REPORT

The Board recognized Ms. Loaiza who delivered the tax collection report for the period ending July 30, 2014. She reported that 99.354% of the 2013. taxes have been collected. Ms. Loaiza noted that there are four accounts on the District's delinquent account list that have gone out of business. She requested the Board authorize her to write off all four accounts.

After discussion and upon motion by Director Abshire, seconded by Director Stephens, and the question being put to the Board, the Board voted unanimously to approve (i) the tax collector's report, and (ii) authorize Ms. Loaiza to write off said four accounts . A copy of the tax report is attached hereto as Exhibit "D".

HEAR FINANCIAL ADVISOR'S REPORT AND DISCUSS TAX LEVY FOR 2014, AND
PUBLIC HEARING AND PUBLISH NOTICE THEREOF

The Board recognized Mr. Masterson who recommended the Board maintain a tax rate of \$0.85 consisting of \$0.65 for debt service and \$0.20 for maintenance and operations. Mr. Masterson noted that the overall rate will remain the same, but the amount of the tax dedicated to debt service will decrease by \$0.05 from 2013 and the amount of the tax dedicated to maintenance and operations will increase by \$0.05. Mr. Cannon reviewed the procedures for establishing the tax rate and the Board agreed to hold a hearing on the proposed tax rate of \$0.85 at the September 10, 2014 Board meeting.

Following discussion and based on a motion brought by Director Burgess and seconded by Director Abshire, the Board voted unanimously to approve the Financial Advisor's recommendation; issue Notice of Intent to levy a tax in the amount of \$0.85 consisting of \$0.65 for debt service and \$0.20 for maintenance per \$100 valuation, and set a hearing on the tax rate for Wednesday, September 10, 2014. It was noted that the District's TAC will handle publication of the notice at least seven (7) days in advance of the hearing date. A copy of Mr. Masterson's tax rate recommendation is attached hereto as Exhibit "E".

OPERATOR'S REPORT

The Board recognized Mr. Connor, President of TOPS. He presented and outlined a list relating to the District's last three years of history regarding maintenance and repairs made to the wastewater treatment plant. A copy of which is attached hereto as Exhibit "F". Mr. Connor answered the Board's questions.

The Board recognized Mr. Sanwald who presented the operator's report for July, 2014 a copy of which is attached hereto as Exhibit "G". The water well was inspected to ensure proper operation and monitor water usage and the total number of connections is at 2,151. He also reported that the water accountability average is at 99%. All water system samples reported negative for bacteriological contamination. Mr. Sanwald then reviewed the operations charges of \$65,677.29 and the cash summary for July, 2014. He requested the Board approve a current write off list as well as a write off list dated April, 2014.

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

Consider amending District Rate Order to include automatic garbage increases

Mr. Cannon stated that the District's rate order should be amended to include automatic trash increases and requested the Board's approval to include said amendment. Upon a motion brought by Director Burgess, seconded by Director Abshire, the Board unanimously approved to amend the District's rate order to include automatic trash increases.

HEAR U.S. WATER PROPOSAL

The Board recognized Mr. White, Mr. Spidle and Ms. Schoener who presented a proposal outlining their services, a copy of which is attached hereto as Exhibit "H". It was noted that their contract was sent to Mr. Cannon for review and that the District's fees would not be increased. Mr. Spidle answered the Board's questions, relating to equipment services, customer service and billing. No action was taken.

HEAR REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

The Board recognized Mr. Mattingly 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 "I".

Director Stephens stated that several ant colonies have been forming and inquired on whether or not the Board would be open to ant treatments. Mr. Mattingly stated that the District has received ant treatments in the past however the ant mounds will just move to different location. He noted that the District could consider an acreage ant treatment and he will bring an acreage ant treatment proposal to the District's next meeting. However, Mr. Mattingly added that this treatment can wash away with rain. No action was taken.

ENGINEER'S REPORT

Mr. Carpenter presented the engineer's report, a copy of which is attached hereto as Exhibit "J". A summary of the status of various projects in the District is as follows:

1. MS4 Storm Water Quality Management Plan

The SWQMP and NOI was submitted to the TCEQ.

2. Sanitary Sewer and Storm Sewer Cleaning and Televising

Plans and contract documents for Phase 2 televising and cleaning are complete. Mr. Carpenter recommended placing this project on hold until the District has further budget discussions.

3. Overlook at the West Oaks Pond

Construction plans are complete. IDS is working with several contractors to evaluate other alternatives to construct the overlook. He is requested additional bids.

4. Wastewater Discharge Permit

The new permit has been issued.

5. Capital Improvements Plan

IDS has prepared a draft of capital improvements plan attached to the engineer's report.

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

Discuss protective vests for Constable

This matter was deferred.

Discuss Fort Bend County Constable proposal and consider acting thereon and
on agreements with homeowner's associations to share costs

This matter was deferred.

Consider renewing District insurance

The Board recognized Mr. Cannon who presented and outlined the District's insurance renewal proposal summary, attached hereto as Exhibit "K". After review, upon

a motion brought by Director Abshire, seconded by Director Burgess, the Board unanimously voted to approve the insurance renewal proposal with HARCO Insurance.

Consider approving Order Designating Administrative Office and Additional Meeting Places Outside the District

The Board recognized Mr. Cannon who presented an Order Designating Administrative Office and Designating Meeting Place Outside the District. Mr. Cannon explained that Coats|Rose will soon be moving to a new office, and the Texas Water Code provides that if a district holds Board meetings outside the District, an order must be adopted designating such locations and notice of such designation must be published in a newspaper of general circulation within the District. He then presented an Order designating the following location as an additional District meeting place outside the District: 9 Greenway Plaza, Ste. 1100, Houston, Texas, 77046.

It was noted that the Order also reaffirms designation of the administrative office for the District at the offices of Coats|Rose, P.C., 3 E Greenway Plaza, Ste. 2000, Houston, Texas 77046; however, after September 29, 2014 it shall be the new offices of Coats|Rose, P.C., at 9 Greenway Plaza, Ste. 1100, Houston, Texas, 77046. Following discussion, Director Burgess moved for approval of the Order Designating Administrative Office and Designating Meeting Place Outside the District and authorized Coats|Rose to have notice of the designations published in a newspaper of general circulation in the District. The motion was seconded by Director Abshire and approved by unanimous vote.

SUCH OTHER MATTERS AS MAY COME BEFORE THE BOARD

A copy of the District's constable report is attached hereto as Exhibit "L".

PASSED, APPROVED AND ADOPTED this 10th day of September, 2014.

(DISTRICT SEAL)



Bernice Black
Secretary, Board of Directors