

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

September 10, 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, September 10, 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: Dwayne Cobbs, a resident of the District; Trevor Royal and Greg Martin of WCA Waste Corporation; 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 and DJ White, of Texas Operations and Professional Services ("TOPS"); Matt Carpenter of IDS Engineering Group, ("IDS") the District's engineer ("the Engineer"); 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

The Board recognized Mr. Cobbs who stated that his visit has to do with the garbage changes and would like to hear WCA's report before providing his comments.

CONSIDER APPROVING DISTRICT AUDIT

The Board recognized Mr. Roth, who reviewed with the Board a draft of the audit for fiscal year ended June 30, 2014, a copy of which is attached hereto as Exhibit "B". He suggested some improvements for District and noted that the bookkeeping report could include supplemental bills in every report. Mr. Roth stated that he has requested the operator request authorization for all write offs in the future. Next, he added that when the operator subcontracts matters that the District is not charged a sales tax. Mr. Roth stated that the bookkeepers report does not reflect any information regarding an invoice to one of the homeowner's association relating to the constable agreement.

Upon a motion made by Director Burgess, seconded by Director Gay, the Board voted unanimously to approve Mr. Roth's audit report.

DISCUSS WCA CONTRACT AND CONSIDER FIRST AMENDMENT

The Board recognized Mr. Royal who outlined recent events that have transpired and have caused confusion among the residents in the District. He apologized for confusion and recommended a solution that may diffuse issues in the future. After discussion, upon a motion brought by Director Black, seconded by Director Burgess the Board agreed to: Wednesday - Trash and Recycle collection (nothing will be collected

outside the container); Saturday - Trash collection, as well as heavy trash will be collected (including items outside the container); the Board also approved the first amendment to the WCA's contract subject to legal counsel's review.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the meeting held August 13, 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 August 13, 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 "C". Ms. Kay also presented and outlined an Amendment to the Bookkeeper's contract ("Amendment") and requested the Board's approval after review. Director Gay instructed Ms. Kay to void her director check from the last meeting as she was not in attendance. Mr. Cannon stated that funds from the District's construction fund attributable to the sanitary sewer line repairs should be moved to the District's operating account and will take action at the Board's next meeting.

After discussion, upon a motion brought by Director Abshire, seconded by Director Black, 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 August 31, 2014. She reported that 99.454% of the 2013. taxes have been collected. 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".

CONDUCT HEARING REGARDING 2014 TAX RATE AND APPROVE ORDER SETTING RATE

The Board next opened a public hearing on the District's proposed tax rate. It was noted that the Tax Assessor/Collector for the District published notice of such hearing in accordance with applicable law. There being no members of the public present to address the Board, the public hearing was closed and the Board addressed the business of setting the 2014 tax rate. It was noted that the District's Financial Advisor, at the last meeting, recommended a tax rate of \$0.85 per \$100 comprised of \$0.65 per \$100 assessed valuation for debt service purposes, \$0.20 per \$100 valuation for maintenance and operation purposes.

Based on a motion by Director Abshire and seconded by Director Gay, the Board voted unanimously to adopt the Order Setting 2014 Tax Rate, establishing a total tax of \$0.85 per \$100 comprised of \$0.65 per \$100 assessed valuation for debt service purposes, \$0.20 per \$100 valuation for maintenance and operation purposes.

APPROVE AMENDED NOTICE TO SELLERS AND PURCHASERS

The Board next considered approving an Amended Notice to Sellers and Purchasers of Real Estate Situated in the District. Mr. Cannon stated that the Notice contains information required by State law regarding the boundaries of the District, bond authorizations, tax rate, functions, and jurisdictional status. Mr. Cannon continued that the Notice will be filed in the Fort Bend County Real Property Records and with the

Commission. Upon a motion made by Director Abshire, seconded by Director Gay, the Board by unanimous vote approved the Notice and authorized the District's attorney to file the Notice in the Fort Bend County Real Property Records and with the Commission.

OPERATOR'S REPORT

The Board recognized Mr. Sanwald who presented the operator's report for August, 2014 a copy of which is attached hereto as Exhibit "E". 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 \$42,628.31 and the cash summary for August, 2014. He requested the Board approve a current write off list as well as a write off list dated April, 2014.

Mr. Sanwald answered the Board's inquiries regarding the increased recent fees and stated that the District's required point repairs, repairs on the lift station, incurred water distribution expenses all contributed to the increase in charges. Director Stephens inquired as to why several repairs have taken place in the new areas of the District.

Next, he presented and outlined a hydrant survey, a copy of which is attached hereto as Exhibit "F". After review, upon a motion brought by Director Gay, seconded by Director Stephens, the Board instructed the operator to service all priority one fire hydrants as soon as possible.

Mr. Cobb's asked the operator about bill payment options that would not require a five (5) percent interest. Mrs. White stated that the current on-line option that requires

the interest charge cannot be avoided. She explained the bank charges the interest. Mrs. White added an automatic bill pay or paying at Kroger as well does not require an interest charge.

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

HEAR REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

No report was given.

ENGINEER'S REPORT

Mr. Carpenter presented the engineer's report, a copy of which is attached hereto as Exhibit "G". 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 were submitted to the TCEQ.

2. Sanitary Sewer and Storm Sewer Cleaning and Televising

The Phase 2 project has been placed on hold for this year. The project will be reconsidered later in the fiscal year.

3. Overlook at the West Oaks Pond

The project has been placed on hold for this year.

Mr. Cobbs requested the Board consider moving the District meeting inside the Boundaries of the District. The Board stated that they would consider that and instructed Mr. Cannon to add the item to next month's agenda.

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

Discuss protective vests for Constable

The Board reviewed the price estimates provided by the constable's office, copies of which are attached hereto as Exhibit "H". Upon a motion brought by Director Gay, seconded by Director Burgess.

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

Mr. Cannon presented and outlined an amended contract relating to the District's constable agreement, attached hereto as Exhibit "I". He added that Twin Oaks homeowner's association is interested in participating in this agreement. Mrs. Gay stated that the West Oaks homeowner's association is also interested in participating. Upon a motion brought by Director Abshire, seconded by Director Gay, the Board unanimously approved the amended Fort Bend County Constable proposal.

Consider approving Resolution Evidencing Review of Investment Policy

Consideration was then given to approval of a Resolution Evidencing Review of Investment Policy and Investment Strategies ("Investment Policy"). Mr. Cannon reminded the Board that the Public Funds Investment Act requires the Board to review the District's Investment Policy annually and consider making any changes thereto. After review, upon a motion brought by Director Abshire, seconded by Director Burgess, the Board unanimously approved the Resolution Evidencing Review of Investment policy and Investment Strategies.

Discuss operator's contract and take any necessary action of the same

The Board deferred the matter for a special meeting scheduled September 30, 2014 at 12:00 p.m.

SUCH OTHER MATTERS AS MAY COME BEFORE THE BOARD

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

PASSED, APPROVED AND ADOPTED this 7th day of October, 2014.

(DISTRICT SEAL)



Rouee Kelly
Assistant Secretary, Board of Directors