

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

September 14, 2016

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 14, 2016, at the offices of Municipal Operations and Consulting, 1825 North Mason Road, Katy, Texas, 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
Vacant	-	Vice President
Sonyan Stephens	-	Secretary
Mark Van Dyck	-	Assistant Secretary
Jennifer Flores	-	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also present at the meeting were: Mark Eyring of Roth & Eyring, PLLC; Shannon Waugh of Off Cinco; Bryan Disdier and Joe Mattingly of Texas Erosion Solutions; Christina Garcia of Myrtle Cruz, Inc., the District's Bookkeeper; Lina Loaiza of Bob Leared Interests, the District's tax collector ("TAC"); Mike Williams and Brian Dubiel of Municipal Operations and Consulting ("MOC") or (the "Operator"); 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 Ms. Waugh who reviewed the District's new website, however, she noted that the new website is not yet live. She stated that she is prepared to have the new website go live at the direction of the Board.

CONDUCT HEARING REGARDING 2016 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 2016 tax rate. It was noted that the District's Financial Advisor, at the last meeting, recommended a tax rate of \$0.75 per \$100 comprised of \$0.55 per \$100 assessed valuation for debt service purposes, \$0.20 per \$100 valuation for maintenance and operation purposes.

Based on a motion by Director Van Dyck and seconded by Director Abshire, the Board voted unanimously to adopt the Order Setting 2016 Tax Rate, establishing a total tax of \$0.75 per \$100 comprised of \$0.55 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 Van Dyck, seconded by Director Abshire, 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.

CONSIDER APPROVING DISTRICT AUDIT

The Board recognized Mr. Eyring, who reviewed with the Board a draft of the audit for fiscal year ended June 30, 2016. He answered the Board's questions and requested the Board's approval. After review, upon a motion made by Director Van Dyck, seconded by Director Gay, the Board voted unanimously to approve Mr. Eyring's audit report.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the meetings held August 3 and August 10, 2016. After discussion, upon a motion by Director Abshire and seconded by Director Stephens, the Board unanimously voted to approve the minutes of the regular meeting held August 3 and August 10, 2016.

BOOKKEEPER'S REPORT

The Board next recognized Ms. Garcia, who presented for the Board's review and approval of the bookkeeper's report, a copy of which is attached hereto as Exhibit "B". She outlined a draft of an amendment to the Board's budget to include the District's new tax rate. Ms. Garcia requested the Board's approval after review.

Director Van Dyck added as it relates to District finances he would like the Board to consider in the future managing all mosquito treatment throughout the District. He added that the deputies are being asked to work holidays and incur overtime. The Board agreed that they do not want the deputies to work on holidays and incur overtime and requested Mr. Cannon contact the Constable's office regarding this matter.

After consideration, upon a motion brought by Director Stephens, seconded by Director Van Dyck, the Board unanimously voted to approve the bookkeeper's report as presented and approve the amendment to the budget.

APPROVE TAX COLLECTOR'S REPORT

The Board recognized Ms. Loaiza who delivered the tax collection report for the period ending August 31, 2016. She reported that 99.123% of the 2015 taxes have been collected.

Mr. Cannon reported that there were two residents who have requested payment arrangements to pay off taxes. After the Board's review he requested the Board approve payment plans and execute said agreements. Upon motion by Director Van Dyck, seconded by Director Stephens, and the question being put to the Board, the Board voted unanimously to approve the tax collector's report and approve payment plans for delinquent taxes with two residents as requested. A copy of the tax report is attached hereto as Exhibit "C".

OPERATOR'S REPORT

The Board recognized Mr. Williams who presented the operator's report for August, 2016 a copy of which is attached hereto as Exhibit "D". The water well was inspected to ensure proper operation and monitor water usage and the total number of connections is at 2,131. He also reported that the water accountability is at 93%. All water system samples reported negative for bacteriological contamination. Mr. Williams noted that the first round of sidewalk repairs is nearly complete.

After consideration, upon a motion brought by Director Abshire, seconded by Director Stephens, the Board unanimously voted to approve (i) the Operator's report as presented; and (ii) termination of water for residents listed on the cut off list.

HEAR REPORT FROM TEXAS EROSION.

The Board recognized Mr. Mattingly who reported that his company will start maintenance within the next few days. No action was taken.

ENGINEER'S REPORT

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

1. MS4 Storm Water Quality Management Plan
 - IDS has prepared the annual report for the MS4.

2. Landscape Improvements to WWTP Site

- A notice to proceed was issued on June 21, 2016. The work was authorized to proceed on July 5, 2016. The contractor has mobilized and has completed the following work:
 - Confirming Alignment – Complete
 - Tree Protection installed – Complete
 - Excavation – In Progress
 - Form work- In Progress
 - Concrete Placement – Complete
 - Site Cleanup and Restoration – Nearly Complete

IDS held a final walk-through on Thursday, August 11, which resulted in a minor punch-list. The contractor plans to have the original site restored and clean within the next week. Mr. Carpenter met with the contractor this morning to review the final alignment of the secondary trail along west Oak Village. The contractor plans to begin construction this week on the remaining work and plans to complete the additional work within the next 30 days.

3. Asset Management Plan

- No updates this month.

4. Water Plant Tank Inspections

- IDS is preparing construction plans and technical specifications for the rehabilitation of GST 1 and HPT 1.

5. Potential +/-400 Acre Annexation

The District has agreed to continue negotiations with DR Horton and Fort Bend County MUD No. 190 regarding a central facilities agreement. IDS is prepared to assist the attorney in the preparation of the agreement.

6. Wastewater Discharge Permit Renewal

The permit renewal application is being prepared.

After review, upon a motion brought by Director Abshire, seconded by Director Flores, the Board unanimously voted to approve the engineer's report.

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

Consider approving Resolution Evidencing Review of Investment Policy Strategies

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 Stephens, the Board unanimously voted to approve said Investment Policy.

Consider approving Resolution Declaring Intent to Reimburse Expenses by the District for sidewalk repairs

The Board recognized Mr. Cannon stated that the District has discussed reimbursing funds for repairs and maintenance, which include replacing water meters; sidewalk repairs; sod repairs due to sidewalk repairs; and bulls eye crack repair. He requested the Board consider approving a Resolution Declaring Intent to Reimburse Expenses by the District for sidewalk repairs. After consideration, upon a motion brought by Director Van Dyck, seconded by Director Abshire, the Board voted to approve Resolution Declaring Intent to Reimburse Expenses by the District.


Mr. Cannon presented the constable report, a copy of which is attached hereto as Exhibit "F". The Board instructed Mr. Cannon to send Twin Oaks Village HOA and West Oaks Village HOA the information to move forward with the contract. Upon a motion brought by Director Abshire, seconded by Director Van Dyck, the Board unanimously approved the Fort Bend County Constable proposal and an agreement with the HOAs to share the contract costs.

Mr. Cannon drew the Board's attention to the District's constable report attached hereto as Exhibit "G", and a copy of the District's WCA call log attached hereto as Exhibit "H".

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PASSED, APPROVED AND ADOPTED this 12th day of October, 2016.

(DISTRICT SEAL)


Secretary, Board of Directors

