

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

October 3, 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 3<sup>rd</sup> day of October, 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 except Directors Rozell and Pope, thus constituting a quorum.

Also present at the meeting were Michael Parks, director of Brazoria County Municipal Utility District No. 26 ("BC 26"); Charlie Norton of Shadow Creek Ranch Maintenance Association ("SCRMA"); Taylor Gunn of Perry Homes, LLC; David Patterson of Assessments of the Southwest, Inc.; Dana Davis of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); Mike Doyle of Development Consultants, Inc.; and Hannah Brook and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the September 5, 2014, regular meeting, and minutes for special meetings on September 9, 2014, and September 17, 2014, which were provided in advance of the meeting. After review and discussion, Director Palmer moved to approve the minutes as presented. Director Axtell 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 homebuilding, including sales, in the Perry Homes sections of the District. He stated construction of Newmark homes will begin shortly.

The Board discussed construction in Shadow Creek Ranch and South Lake.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. He stated 99.66% of the District's 2013 taxes had been collected as of September 30, 2014. Following review and discussion, Director Ruiz made a motion to approve the tax assessor/collector's report and payment of the tax bills. Director Palmer seconded the motion, which carried unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S 2014 TAX RATE, ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Patterson stated that Tax Tech Inc. published the required Notice of Public Hearing stating the District anticipates levying a maximum rate of \$0.85 at this meeting.

Director Axtell then opened the public hearing. No members of the public came forward to make comments. Director Axtell closed the public hearing.

Ms. Brook presented to the Board an Order Levying Taxes for a \$0.85 tax rate, comprised of \$0.80 for debt service and \$0.05 for operations and maintenance. Ms. Brook also presented an Amendment to Information Form reflecting the newly adopted tax rate.

After review and discussion, Director Axtell moved to adopt the Order Levying Taxes as presented and authorize execution of the Amendment to Information Form, and direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which passed unanimously. The Board confirmed its intention that the 2014 tax levy includes a debt service component for the calendar year ending December 31, 2015, and a maintenance tax component for the fiscal year ending September 30, 2015.

## ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached.

Mr. Ross reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$81,947.27 to Crostex Construction for the construction of the water, sewer, and drainage facilities to serve Shadow Creek Ranch-SF 63B.

Mr. Ross reviewed and recommended approval of Pay Estimate No. 5 and Final in the amount of \$131,330.33 to R Construction Co. for the construction of the water, sewer, and drainage facilities to serve Shadow Ridge, Section 1.

Mr. Ross requested authorization to advertise for bids for Phase II of Shadow Creek Ranch-SF 52.

Ms. Brook presented a letter financing agreement with 518SCR, Ltd. in connection with the award of contract for construction of the water, sewer, and drainage facilities to serve Southlake Section 6 and Section 7, which was reviewed at the District's August meeting.

Ms. Brook stated there were no updates regarding the MS4 Permit.

Mr. Ross updated the Board regarding bond application no. 7. Ms. Brook then presented a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Projects and Bonds to be submitted with bond application no. 7.

Following review and discussion, Director Palmer moved to approve the engineer's report and take the following action, based upon the engineer's recommendation: (1) approve Pay Estimate No. 2 in the amount of \$81,947.27 to Crostex Construction for the construction of the water, sewer, and drainage facilities to serve Shadow Creek Ranch-SF 63B; (2) approve Pay Estimate No. 5 and Final in the amount of \$131,330.33 to R Construction Co. for the construction of the water, sewer, and drainage facilities to serve Shadow Ridge, Section 1; (3) authorize Mr. Ross to advertise for bids for Phase II of Shadow Creek Ranch-SF 52; (4) re-approve the letter financing agreement with 518SCR, Ltd. in connection with the award of contract for construction of the water, sewer, and drainage facilities to serve Southlake Section 6 and Section 7; and (5) approve the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Projects and Bonds and direct that it be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which carried unanimously.

## RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

The Board discussed the September 17, 2014 community informational meeting, including whether the District should fund the public water, sewer, and drainage facilities to serve the Shadow Creek Ranch Sports Park, Phase 1 (the "Sports Park"), the impact of including the funding in the next bond issue, including an estimate of cost per household, the impact on repaying debt early, benefits of the Sports Park to the community, and facilities for the Sports Park that will be added if the District and BC 26 fund the public water, sewer, and drainage facilities to serve the Sports Park. After review and discussion, Director Palmer moved to approve the District's contribution of approximately \$685,000 towards the public water, sewer, and drainage facilities to serve the Sports Park. Director Axtel seconded the motion, which passed unanimously.

## RE-APPROVE ADOPTION OF RESOLUTION ESTABLISHING AN ADDITIONAL MEETING PLACE AT REFLECTION BAY EVENT CENTER, PEARLAND, TEXAS

The Board considered re-approving the adoption of the Resolution Establishing an Additional Meeting Place at Reflection Bay Event Center, Pearland, Texas at the special meeting of the members of the Board of the District on September 9, 2014. Following review and discussion, Director Palmer moved to re-approve the September 9, 2014 adoption of said Resolution, which was filed appropriately and retained in the District's records. The motion was seconded by Director Axtell and carried by unanimous vote.

## FINANCIAL AND BOOKKEEPING MATTERS

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

## 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*, and on the District's page of the website. After discussion, the Board concurred to direct ABHR to submit the District's standard notice to the newsletters, and include the Responses to Public Comments Submitted at September 17, 2014 Meeting Regarding Regional Sports Park and the rapidsupply.com link and to omit any outdated information on the District's website. A copy of the Responses to Public Comments Submitted at September 17, 2014 Meeting Regarding Regional Sports Park is attached. The Board then reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.



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