

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

May 1, 2015

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 1st day of May, 2015, 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:

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| 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 Director Palmer, thus constituting a quorum.

Also present at the meeting were Michael Parks, President of Brazoria County Municipal Utility District No. 26 ("BC 26"); Officer Natisha Lucas with the City of Pearland ("City") Police Department; Taylor Gunn of Perry Homes; Michael Doyle of Development Consultants, Inc.; Donna Bryant of Assessments of the Southwest, Inc.; Christina Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); Justin Klump of Storm Water Solutions, LP; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the April 10, 2015, regular meeting, which were provided in advance of the meeting. Director Pope requested (1) addition of 2015 on the Resolution Concerning Exemptions from Taxation; and (2) clarification for the construction timeline for the City's permanent expansion of the sewage treatment plant serving the District (the "STP"). After review and discussion, Director Ruiz moved to approve the minutes of the April 10, 2015, regular meeting with requested revisions. Director Axtell seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT, DEVELOPER REIMBURSEMENT REPORT, AND DISBURSEMENT OF FUNDS

Mr. Doyle and Mr. Gunn reported on home construction and sales in the District.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Bryant distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. She stated 98.59% of the District's 2014 taxes had been collected as of April 30, 2015. Following review and discussion, Director Axtell moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the bills. Director Pope seconded the motion, which carried by unanimous vote.

Ms. Williams entered the meeting. Ms. Williams distributed and reviewed a Homestead Exemption Analysis, a copy of which is attached, and confirmed the District's ability to grant a 20% homestead exemption as adopted at the previous Board meeting. Ms. Williams discussed the status of the District's outstanding debt and Mr. Ross discussed projected build out of the District.

Ms. Brook discussed the status of bond application no. 7, which has been on hold due to the Texas Commission on Environmental Quality ("TCEQ") enforcement action related to the City's STP. Ms. Brook said the City signed an Agreed Order to comply with certain requirements of the TCEQ, which makes it possible for a July or August 2015 submittal of bond application no. 7. She said the TCEQ Districts Section will allow the bond application to be filed after the TCEQ has approved the Agreed Order. She noted there is a 30 day publication requirement before the TCEQ can execute the Agreed Order.

2015 REFUNDING BOND ISSUE

Ms. Williams reported on the closing of the Unlimited Tax Refunding Bonds, Series 2015 ("Bonds") and referenced a letter from Rathmann sent to the Board in advance of today's meeting, which contains the results of the sale of the Bonds at a present value savings rate of 11.9%, which is a debt service savings of \$7,241,342, which is \$5,115,428 in present value savings. A copy of the Rathmann letter is attached.

FINANCIAL AND BOOKKEEPING MATTERS

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

SECURITY SERVICES REPORT

BC 26 Director Parks entered the meeting.

Officer Lucas reviewed the written security report for Shadow Creek Ranch ("SCR"), submitted in advance of today's meeting. A copy of the security report is attached. Officer Lucas stated the assault at 2200 Business Center Drive was an assault that took place on her by several assailants while she was off duty. Officer Lucas reported on receipt of two computers for use by the officers contracted by the District to monitor the video feed from the security cameras installed in SCR. She noted set up from Today's Integration is needed before they can be used. Following review and discussion, the Board concurred to accept the Security report.

Ms. Garcia, Ms. Williams, and BC 26 Director Parks left the meeting.

ENGINEERING MATTERS

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

Mr. Ross reviewed and recommended approval of one pay estimate as detailed in the engineer's report.

The Board discussed the engineer's inspection of the District's facilities and concurred to table the item until BC 26 receives a response from the City indicating which of the facilities listed in BC 26's most recent report have been repaired.

Mr. Ross reported on communication with Jones-Heroy regarding possible submittal of bond application no. 7, subject to the parameters previously discussed.

Following review and discussion, Director Pope moved to approve the engineer's report and, based upon the engineer's recommendation, approve Pay Estimate No. 2 to Crostex Construction, Inc., in the amount of \$309,919.50 for construction of the water, sewer, and drainage facilities to serve SF-57. Director Axtell seconded the motion, which passed unanimously.

Mr. Klump reported on the District's compliance with TPDES general permit no. TXR040000. He reviewed and recommended approval of Amendment 1 to the City's Stormwater Management Plan ("SWMP"), requested by the TCEQ to provide clarification of the District's responsibilities pursuant to inclusion in the City's SWMP. Following review and discussion, Director Pope moved to approve Amendment 1 to the City's SWMP and direct that it be filed appropriately and retained in the District's records. The motion was seconded by Director Axtell and carried unanimously.

Officer Lucas left the meeting.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Brook reported that both the District and BC 26 (the "Districts") received approval from the TCEQ for use of surplus operating funds to fund the public water, sewer, and drainage facilities to serve the Shadow Creek Ranch Sports Complex ("Sports Complex"). She stated ABHR will notify the City that the funds will be available upon approval and execution of the Interlocal Agreement Related to Construction of Additional Public Park Improvements ("Interlocal Agreement"), previously executed by the Boards of both Districts, which lists eight projects the Districts agreed to prioritize in consideration of the \$1.37 million funding of the public water, sewer, and drainage facilities to serve the Sports Complex. Ms. Brook added that ABHR will request the Interlocal Agreement be placed on the agenda for consideration at the next available City Council meeting and will inform the Boards of that date for those Directors interested in attending.

The Board reviewed the landscape architect's report, including a timeline for construction of the temporary ball fields (the "Fields") and options for signage. A copy of the landscape architect's report is attached. Discussion ensued regarding the location of the handicapped parking spaces in the parking lot near the Fields. Director Ruiz said she will talk to City Manager Clay Pearson to request the addition or relocation of handicapped parking spaces at the end of the parking lot closest to the Fields.

The Board reviewed options for signage as reflected in the attachment to the landscape architect's report and reviewed a pricing proposal from Comet Signs. A copy of the proposal from Comet Signs is attached. Ms. Brownlee noted an installation fee of \$1,300 will be added to the cost of the selected sign. The Board then discussed revisions to sign language and suggestions for sign placement submitted by Director Pope, copies of which are attached. Following review and discussion, the Board deferred finalizing the language and placement of the sign subject to further discussion with the landscape architect and BC 26.

Ms. Brook reported on email correspondence from Maria Southall-Shaw, manager of Shadow Creek Ranch Maintenance Association ("SCRMA") indicating SCRMA will not amend its contract with Earthcare Management to include maintenance of the Fields, as reflected in the attached proposed Landscape Maintenance Agreement ("Agreement"). Discussion ensued regarding the cost of the Agreement and alternative service providers. After discussion, Directors Ruiz and Rozell said they will each attempt to obtain a proposal for maintenance of the Fields comparable to what is reflected in the proposed Agreement.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming AWBD summer conference in Corpus Christi. After review and discussion, Director Rozell moved to establish maximum limits of four Director fees of office, three nights of lodging, and three meal expenses per day for any director attending the AWBD summer conference for expenses submitted in accordance with the guidelines. 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 request ABHR post the standard notice to the newsletter and to update the District's website. The Board then reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

No reports were given.

COMMENTS FROM THE PUBLIC

No members of the public came forward to address the Board.

ATTORNEY'S REPORT

No further reports were given.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred to hold the next regular Board meeting on June 5, 2015, at noon, at ABHR.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)




Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the standard notice to the District’s website and community newsletters.
2. Director Ruiz will contact the City to request relocation of handicap parking for the Fields.
3. Directors Ruiz and Rozell will attempt to obtain additional proposals for maintenance of the Fields.
4. ABHR will notify the City that District funds pledged to pay for the public water, sewer, and drainage to serve the Sports Complex have been approved for use by the TCEQ.
5. ABHR will request the City include the Interlocal Agreement for consideration on the agenda for the next available City Council meeting.
6. ABHR will notify the Board of the date of the City Council meeting when the Interlocal Agreement will be considered.

LIST OF ATTACHMENTS TO MINUTES

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