

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

August 7, 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 7th day of August, 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:

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, thus constituting a quorum.

Also present at the meeting were District resident Heather Zayas; Brazoria County Municipal Utility District No. 26 ("BC 26") Director Herb Fain; Bob DeForest of KGA/DeForest Design, L.L.C.; Rhonda Rushton of Assessments of the Southwest, Inc.; Taylor Gunn of Perry Homes, LLC; Julie Williams of Rathmann & Associates, L.P.; Michael Doyle of Development Consultants, Inc.; Lars Monson of KB Home; Christina Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the July 10, 2015, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Pope moved to approve the minutes of the July 10, 2015, regular meeting as submitted. Director Axtell seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

The Board reviewed the written security report for Shadow Creek Ranch, submitted in advance of today's meeting. A copy of the security report is attached. Following review and discussion, the Boards concurred to accept the Security report. The Board requested the District's consultants email their monthly report to the Board for review two days in advance of the meeting.

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

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

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rushton distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. She stated 99.27% of the District's 2014 taxes had been collected as of July 31, 2015. Following review and discussion, Director Pope moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the bills. Director Ruiz seconded the motion, which carried by unanimous vote.

DISCUSS 2015 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Williams distributed and reviewed a tax rate analysis recommending the District levy a 2015 tax rate of \$0.85 per \$100 of assessed valuation, with \$0.80 allocated to debt service and \$0.05 allocated to maintenance and operations, the same tax rate as the previous year. A copy of the tax rate analysis is attached. Ms. Williams stated the 2015 certified taxable value of the District according to the Brazoria County Appraisal District and the Fort Bend Central Appraisal District ("FBCAD") is \$722,876,748. Ms. Williams discussed, and the Board concurred to continue, the accelerated schedule of debt service payments pursuant to the Board's goal to pay off debt early to allow for early dissolution of the District once all debt is retired. Following review and discussion, Director Palmer moved to (1) authorize the tax assessor/collector to publish notice of the District's public hearing on September 4, 2015, to set the proposed 2015 tax rate of \$0.85 per \$100 of assessed valuation, with \$0.80 allocated to debt service and \$0.05 allocated to maintenance and operations. Director Pope seconded the motion, which carried unanimously.

RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF FBCAD

Ms. Brook discussed the process for casting the District's allocated votes for a water district nominee to appear on the ballot in FBCAD's Board election. She presented a District ballot from FBCAD reflecting eight allocated votes, noting a deadline of August 15th to cast the votes. The Board requested any information received by ABHR regarding the candidates for water district nominee be sent to the Board as soon as it is available. After review and discussion, Director Rozell moved to: (1) adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the Fort Bend Central

Appraisal District, casting the District's eight votes for Sam Mayson to appear on the ballot; and (2) direct that the Resolution be filed appropriately with FBCAD and retained in the District's official records. Director Palmer seconded the motion, which passed unanimously with Directors Pope and Axtell abstaining.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. Mr. Ross updated the status of ongoing projects in the District. No action items were presented.

There were no updates on storm water permitting matters.

Following review and discussion, Director Palmer moved to approve the engineer's report. Director Ruiz seconded the motion, which passed unanimously.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Mr. Gunn and Ms. Rushton left the meeting.

Mr. DeForest distributed and reviewed the landscape architect's report, a copy of which is attached. He provided an update on construction of the temporary ball fields (the "Fields") as reflected in the landscape architect's report. Mr. DeForest reviewed and recommended Pay Estimate No. 3 to Four Seasons Development (the "Contractor") in the amount of \$34,187.96 to be cost shared equally with BC 26. A copy of Pay Estimate No. 3 is attached to the landscape architect's report.

Mr. DeForest reviewed a proposal from Comet Signs for manufacturing and installing a sign at the Fields (the "Sign"), the design and specs for which were approved at the June 5, 2015, meeting for a total cost of \$2869, to be cost shared equally with BC 26. Mr. DeForest noted BC 26 approved same at its meeting earlier this week.

The Board reviewed email correspondence, including photo attachments, from Director Pope expressing concerns about the condition of the Fields. A copy of Director Pope's email and photos are attached.

Mr. DeForest discussed the hard ground condition of the Fields, which is preventing hydromulch from germinating. He said the ground is compacted from heavy rainfall at the beginning of the summer followed by steady heat and little to no rainfall. Mr. DeForest discussed options for cultivating turf and reported on a proposal to pulverize the ground, reapply hydromulch, and irrigate until germination for an estimated cost of \$18,000, divided equally with BC 26. Mr. DeForest noted BC 26 approved same at its meeting earlier this week. Mr. DeForest answered questions from the Board regarding the timing of the hydromulch application in light of the lack of rain

in the time period under question. Following discussion, Director Rozell moved to approve the proposal to pulverize the ground of the Fields, apply hydromulch, and irrigate until germination for a cost not to exceed \$18,000 to be cost shared equally with BC 26, with the District's share not to exceed \$9,000. No one seconded the motion, and it failed. After additional discussion, Director Axtell moved to pulverize the ground, reapply hydromulch, and irrigate until germination for an estimated cost of \$18,000 to be equally cost shared with BC 26, with the District's share not to exceed \$9,000, subject to the work proceeding during optimal growing conditions as determined by the Contractor. Director Rozell seconded the motion, which passed four votes to one, with Director Ruiz opposed to the motion.

Mr. DeForest noted repair of the damaged sidewalks leading to the Fields are part of the contractor's punch list and that pulverizing the ground will even the ruts and low spots.

Mr. Ross reviewed a revised proposal for LJA to monitor and report on the City's construction of the park improvements listed in the Interlocal Agreement Related to Construction of Additional Public Park Improvements (the "Agreement") calculated at an hourly rate for approximately two hours per week at an estimated cost of \$5,000 plus expenses. Mr. Ross noted BC 26 approved the same proposal at its meeting earlier this week. Following review and discussion, Director Rozell moved to approve LJA's proposal to monitor and report on the City's construction of the park improvements listed in the Agreement as discussed. Director Axtell seconded the motion, which passed three votes to two, with Directors Ruiz and Palmer opposed to the motion.

Following review and discussion, Director Palmer moved to accept the landscape architect's report and, based on the recommendation of the landscape architect, (1) approve Pay Estimate No. 3, as presented, for construction of the Fields to be cost shared equally with BC 26, with the District's share being \$17,093.98; and (2) approve the proposal from Comet Signs to manufacture and install the Sign at the Fields for a total cost of \$2,869 to be cost shared equally with BC 26, with the District's share being \$1,434.50. The motion was seconded by Director Ruiz and passed unanimously.

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 Palmer seconded the motion, which passed unanimously.

Ms. Garcia reviewed the proposed budget for fiscal year end September 30, 2016, a copy of which is attached to the bookkeeper's report. She noted the line item for legal

currently exceeds the budget and requested all consultants provide comments before the next meeting date.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Boards 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 website. Following review and discussion, the Boards directed ABHR to post the standard notice to the newsletter, including the date of the public hearing to set the District’s 2015 tax rate, and to update the Districts’ website. The Boards 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 presented.

COMMENTS FROM THE PUBLIC

Ms. Zayas introduced herself as a resident of the District and offered no public comment.

ATTORNEY’S REPORT

No further reports were presented.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred to schedule the next regular Board meeting for September 4, 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 community newsletters, including the date of the public hearing to set the District's 2015 tax rate, and update the District's website.
2. District consultants with Board reports will email their monthly report to the Board two days in advance of the meeting.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Security report.....	1
Tax assessor/collector's report	2
Debt service tax rate analysis	2
Engineer's report.....	3
Landscape architect's report.....	3
Director Pope's email	3
Bookkeeper's report.....	4
Website Analytics Report	5