

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

May 6, 2016

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 6th day of May, 2016, 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 Heather Zayas, a resident of the District; Rhonda Rushton of Assessments of the Southwest, Inc.; Tayo Ilori of McGrath & Co. PLLC ("McGrath"); Michael Doyle of Development Consultants, Inc.; Taylor Gunn of Perry Homes; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); James Ross of LJA Engineering, Inc. ("LJA"); Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the April 1, 2016, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Palmer moved to approve the minutes of the April 1, 2016, regular meeting as submitted. Director Ruiz seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

APPROVE PROPOSAL FROM OFF CINCO TO UPDATE DISTRICT WEBSITE

The Board considered approving the proposal presented last month from Off Cinco to update the website shared by the District and Brazoria County Municipal Utility District No. 26 ("BC 26"). Ms. Brook reported that the Board of BC 26 approved the proposal for the standard update for a one-time cost of \$1,200 and a monthly maintenance fee of \$225, both costs to be shared equally with the District, subject to approval of same by the District. After discussion, Director Rozell moved to approve

the proposal from Off Cinco for the standard update for a one-time cost of \$1,200 and a monthly maintenance fee of \$225, both costs to be shared equally with BC 26. Director Pope seconded the motion, which passed by unanimous vote.

SECURITY SERVICES REPORT

The Board reviewed the written security report for Shadow Creek Ranch ("SCR") provided in advance of the meeting. A copy of the security report is attached.

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

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

Mr. Ilori distributed and reviewed a developer reimbursement report from McGrath for the purpose of verifying the amount to reimburse Perry Homes from the District's Series 2016 Unlimited Tax Bonds for impact fees paid on behalf of the District. Ms. Brook noted the District received an executed receipt from Perry Homes, reflecting the amount indicated on the report. Following review and discussion, Director Ruiz moved to approve the report and direct that it be filed appropriately and retained in the District's records and authorize disbursement of funds to Perry Homes in the amount indicated by the report. Director Axtell seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rushton distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. She stated 99.08% of the District's 2015 taxes were collected as of April 30, 2016. Following review and discussion, Director Rozell moved to approve the tax assessor/collector's report and payment of the bills. Director Palmer seconded the motion, which carried by unanimous vote.

ENGINEERING MATTERS

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

Mr. Ross reported on construction of the water, sewer, and drainage facilities to serve Southlake Section 11 and requested approval for Pay Estimate No. 1 to 5758 Construction, L.P. in the amount of \$261,248.80.

Mr. Ross reported on a meeting with Pearland Assistant City Manager Trent Epperson, who confirmed Phase 2 of the City's expansion of the sewage treatment plant

and construction of the permanent sewage treatment Plant to serve SCR are on schedule. In response to questions from the Board, Mr. Ross confirmed the District has enough capacity now and for complete build out of the District.

Following review and discussion, Director Ruiz moved to approve the engineer's report and Pay Estimate No. 1 as presented and recommended for construction of the water, sewer, and drainage facilities to serve Southlake Section 11. The motion was seconded by Director Pope and passed unanimously.

Mr. Gunn left the meeting.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

The Board reviewed a report from Earthcare Management for the mowing and maintenance of the temporary ball fields, which includes an invoice and service schedule for this month. A copy of the report from Earthcare Management is attached. Director Pope noted the invoice refers to the mowing area as baseball fields and requested that this be changed. Director Pope then requested that the service schedule for the current month be changed to a report on the prior month that includes dates of service and services performed. Ms. Brownlee said she will contact Earthcare Management to request these changes.

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 Fort Worth. After review and discussion, Director Axtell 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 Ruiz seconded the motion, which 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.

Director Pope requested the Board approve that he receive a per diem for posting the District's agenda each month. He noted that this month he requests two per diems because he posted the agenda at the previous posting location and the new location. Discussion ensued, after which Director Palmer moved to grant Director Pope a per

diem each time he posts the District's meeting agenda. The motion failed for lack of a second. After additional discussion, Director Palmer made a motion to approve a per diem in the reduced amount of \$50 per month to Director Pope to post any and all District notices/agendas as required starting next month. Director Ruiz seconded the motion, which passed by majority vote, with Director Rozell voting no and Director Pope abstaining.

Ms. Garcia stated check no. 2603 to Director Pope in the amount of \$277.05 is included in the checks presented this month for payment of two per diems for posting the agenda twice last month and noted that at the request of Director Pope, this check will be voided. Following review and discussion, Director Axtell moved to approve the bookkeeper's report and payment of the bills, excluding check no. 2603 in the amount of \$277.05. Director Ruiz seconded the motion, which passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft of the notice for submission to the Shadow Creek Community Newsletter and The Connection and considered updates for the District's website. The Board reviewed an analytics report on activity on the website for the prior month, a copy of which is attached. Director Pope requested all documents that include the posting place in the newsletter notice and on the website be updated to reflect the new posting place approved last month. In response to a question from Director Pope, Ms. Brownlee stated she distributed the edits to the newsletter notice Director Pope submitted to her via email at the March meeting, separate from the draft of the April newsletter notice, and that the Board approved the draft as it was presented. The Board requested Director Pope's edits be distributed to the Board next month for consideration at the June meeting. Following review and discussion, the Board directed ABHR to submit the newsletter notice for the upcoming edition with the updated posting place.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SHADOW CREEK RANCH MAINTENANCE ASSOCIATION ("SCRMA")

There was no discussion on this matter.

ATTORNEY'S REPORT

Ms. Brook reported that at the meeting of BC 26, BC 26 Director Caralynn Prade reported that SCRMA sent her a notice of nonpayment for her 2016 dues while in possession of two uncashed checks from Director Prade. Ms. Brook stated ABHR contacted SCRMA twice on behalf of the Board of BC 26 to attend its meeting and present a report on the accounting of collected Homeowners Association dues but BC 26 received no response from SCRMA.

ANNEXATION MATTERS

Mr. Ross reported that he has not been contacted by the petitioner regarding the information requested of the petitioner at last month's Board meeting.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is June 3, 2016, at 12:00 p.m.

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

(SEAL)



A handwritten signature in blue ink, consisting of stylized cursive letters, positioned above a horizontal line.

Secretary, Board of Directors

ACTION LIST

1. ABHR will update the monthly newsletter notice as requested and submit it to the community newsletters.
2. ABHR will submit updates to the District's website as needed.
3. Ms. Brownlee will contact Earthcare Management and request the report and invoice be revised per Director Pope's comments.
4. Ms. Brownlee will distribute Director Pope's edits to the newsletter notice to the Board in advance of the next meeting.

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