

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

June 3, 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 3rd day of June, 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 except Director Palmer, thus constituting a quorum.

Also present at the meeting were Heather Zayas, a resident of the District and new Director; David Patterson of Assessments of the Southwest, Inc.; Shannon Waugh of Off Cinco; Thomas Sikora of KB Home; Taylor Gunn of Perry Homes; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); James Ross of LJA Engineering, Inc. ("LJA"); Hannah Brook, Tracie Brownlee, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 6, 2016, regular meeting, which were provided in advance of the meeting. Director Pope requested the minutes be revised to reflect that he requested check no. 2603 be voided. After review and discussion, Director Rozell moved to approve the minutes of the May 6, 2016, regular meeting as revised. Director Axtell seconded the motion, which passed unanimously.

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Geoffrey Pope, Terry Ruiz, and Heather Zayas to the Board of Directors of the District, each for a four-year term. After review and discussion, Director Rozell moved to approve the Certificate of Election and the distribution of same to Directors Pope, Ruiz, and Zayas and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which passed by unanimous vote.

DIRECTORS' SWORN STATEMENTS, OFFICIAL BONDS AND OATHS OF OFFICE

Ms. Brook reviewed the Sworn Statement, Oath of Office, and Official Bond for Director Zayas and the Sworn Statements and Oaths of Office for Directors Pope and Ruiz. After review and discussion, Director Rozell moved that the Board approve the Sworn Statements, Oaths of Office, and Official Bond and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Axtell seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD

The Board considered reorganizing the Board of Directors. Following discussion, Director Axtell moved to reorganize the Board as follows:

Michael "Mike" Rozell	President
Geoffrey Pope	Vice President
Heather Zayas	Secretary
Karri Axtell	Assistant Vice President
Terry Ruiz	Assistant Secretary

Director Ruiz seconded the motion, which passed by unanimous vote.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director Axtell made a motion to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Ruiz seconded the motion, which passed by unanimous vote.

DISCUSS OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Brook reviewed a memorandum regarding the Texas Open Meetings Act prepared by ABHR, a copy of which is attached.

DISCUSS CONFLICT OF INTEREST DISCLOSURE

Ms. Brook reviewed a memorandum prepared by ABHR regarding Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. A copy of the memorandum is attached. She reviewed the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District and will need to be filed thereafter within seven days of a disclosable conflict arising.

The Board considered authorizing execution of an updated List of Local Government Officers. Following review and discussion, Director Rozell moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which passed by unanimous vote.

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

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. In response to a request from Mr. Sikora to increase the number of security patrols, Ms. Brook stated that a security patrol schedule has been established and approved by the Board. Mr. Gunn reported on coordination with Officer Natisha Lucas to organize a neighborhood watch in Southlake.

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

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

The Board reviewed a developer reimbursement report from McGrath & Co., PLLC for the purpose of verifying the amount to reimburse Newmark 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 Newmark 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 Newmark Homes in the amount indicated by the report. Director Pope seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. He stated 99.5% of the District's 2015 taxes were collected as of May 31, 2016. Following review and discussion, Director Axtell moved to approve the tax assessor/collector's report and payment of the bills. Director Ruiz seconded the motion, which carried by unanimous vote.

Mr. Patterson stated the preliminary assessed value of the District according to a Certificate of 2016 Estimated Value of the District from Brazoria County Appraisal District and a Certification of Preliminary Estimate of Taxable Value of the District from the Fort Bend Appraisal District is \$922,267,467. Copies of the Certificate and the Certification are attached to the tax assessor/collector's report.

AUTHORIZE THE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. Brook stated that as of July 1, 2016, outstanding 2015 tax accounts will be assessed an additional 20% penalty. The Board considered authorizing the District's delinquent tax attorney to proceed with the collection of delinquent taxes. Following discussion, Director Rozell moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2015 taxes as of July 1, 2016. Director Pope 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 requested the Board authorize the design and advertising for bids for construction of the (1) Shadow Grove Lake 1 Expansion and Lake 3; and (2) water, sewer, and drainage facilities to serve Shadow Grove Section 4 and 5.

Mr. Ross reported on construction of the water, sewer, and drainage facilities to serve Southlake Section 11. He reported that there were no pay estimates from 5758 Construction, L.P.

Mr. Ross reported on construction of the water, sewer, and drainage facilities to serve Shadow Grove Sections 2 and 3. He reported Jones & Carter, Inc. recommends approval of Pay Estimate No. 3 and Final to Rodriguez Construction Group, LLC in the amount of \$145,689.57.

Mr. Ross reported on Phase 2 of the City's expansion of the sewage treatment plant and construction of the permanent sewage treatment plant.

Mr. Ross reported on construction of Shadow Creek Ranch Regional Sports Park.

Following review and discussion, Director Pope moved to approve the engineer's report and (1) authorize design and advertising for bids for construction of the (i) Shadow Grove Lake 1 Expansion and Lake 3; and (ii) water, sewer, and drainage facilities to serve Shadow Grove Section 4 and 5; and (2) approve Pay Estimate No. 3 and Final as presented and recommended for construction of the water, sewer, and drainage facilities to serve Shadow Grove Sections 2 and 3. The motion was seconded by Director Ruiz and passed unanimously.

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, a copy of which is attached.

Mr. Gunn left the meeting.

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.

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. Following review and discussion, the Board directed ABHR to submit the newsletter notice as presented for the upcoming edition.

Ms. Waugh reviewed the updated District website with the Board, a link for which was provided to the Board for their review in advance of the meeting. Discussion ensued, including a proposed photo contest inviting District residents to submit a photo taken in the District to compete for posting on the District's website. After discussion, the Board concurred to approve the general format of the updated website as presented and authorize proceeding, subject to concurrence by the Board of Brazoria County Municipal Utility District No. 26. Director Pope will provide photos for initial posting on the website.

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

There was no discussion on this matter.

ATTORNEY'S REPORT

There was no discussion on this matter.

ANNEXATION MATTERS

Mr. Ross reported that he has not been contacted by the landowners regarding the potential annexation.

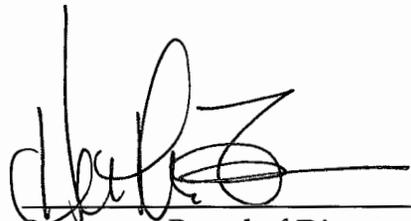
DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is July 8, 2016, at 12:00 p.m.

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 monthly newsletter notice to the community newsletters.
2. ABHR will submit updates to the District's website as needed.
3. Director Pope will submit photos of the District for posting on the District's website.
4. Ms. Brownlee will submit the District's boundary map for posting on the District's website.
5. The Boards will consider a photo contest for the District's website inviting District residents to submit a photo of the District to compete for posting on the District's website.

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