

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

August 5, 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 5th day of August, 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
Heather Zayas	Secretary
Karri Axtell	Assistant Vice President
Terry Ruiz	Assistant Secretary

and all of the above were present except Director Axtell, thus constituting a quorum.

Also present at the meeting were Rocky Lucas, a member of the public; Maria Shaw, Raquel Rodriguez, and Syeda Unnisa of Shadow Creek Ranch Maintenance Association ("SCRMA"); Tayo Ilori of McGrath & Co., PLLC ("McGrath"); Taylor Gunn of Perry Homes, LLC ("Perry Homes"); Thomas Sikora of KB Home; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); Officer Natisha Lucas of the City of Pearland ("City") Police Department; Cathy Brittain-Drew of Assessments of the Southwest, Inc. ("ASW"); Christina Garcia of Myrtle Cruz, Inc. ("MCI"); Taylor Baumgartner of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the July 8, 2016, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Ruiz moved to approve the minutes of the July 8, 2016, regular meeting, as revised. Director Pope seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Drew distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. She stated 99.7% of the District's 2015 taxes were collected as of July 31, 2016. Following review and discussion, Director Ruiz moved to approve the tax assessor/collector's report and payment of the bills. Director Zayas seconded the motion, which carried by unanimous vote.

Ms. Humphries entered the meeting.

APPROVE PAYMENT SERVICES AGREEMENT

Ms. Drew said ASW is using a new credit card billing service. She requested the Board approve a Payment Services Agreement with First Billing and presented a Form 1295. After discussion, Director Ruiz moved to approve the Payment Services Agreement with First Billing. The motion was seconded by Director Zayas and carried by unanimous vote.

DISCUSS 2016 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Williams distributed and reviewed the attached tax rate analysis recommending the District levy a 2016 debt service tax rate of \$0.80 per \$100 of assessed valuation. Ms. Williams stated the 2016 certified taxable value of the District according to the Brazoria County Appraisal District and the Fort Bend Central Appraisal District is \$843,970,411. Ms. Williams discussed the components of the maintenance and debt rates that will maintain the current accelerated, shortened debt retirement schedule, which allows early dissolution of the District once all debt is retired. Following review and discussion, Director Rozell moved to authorize the tax assessor/collector to publish notice of the District's public hearing on September 2, 2016, to set the proposed 2016 tax rate of \$0.848 per \$100 of assessed valuation, with \$0.80 allocated to debt service and \$0.048 allocated to maintenance and operations. Director Ruiz seconded the motion, which carried unanimously.

Ms. Brittain-Drew left the meeting.

SECURITY SERVICES REPORT

Officer Lucas reviewed the written security report for Shadow Creek Ranch ("SCR") provided in advance of the meeting. A copy of the security report is attached. Officer Lucas then left the meeting.

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

REPORT ON DEVELOPMENT

Messrs. Sikora and Gunn generally reported on development in the District and left the meeting.

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 additional 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 Rozell 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 Zayas seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

Mr. Baumgartner distributed and reviewed a proposal from Jones-Heroy and Associates, Inc. ("Jones-Heroy") to prepare bond application no. 8. Mr. Baumgartner distributed and reviewed a proposal from LJA to assist Jones-Heroy with the preparation of bond application no. 8.

Following review and discussion, Director Rozell moved to approve the engineer's report and the proposals from Jones-Heroy and LJA to prepare bond application no. 8. 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.

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. Following review and discussion, Director Ruiz moved to approve the bookkeeper's report and payment of the bills. Director Pope seconded the motion, which passed unanimously.

Ms. Garcia reviewed the proposed budget for fiscal year end September 30, 2017, a copy of which is attached. She requested all directors and consultants provide comments before the next meeting date.

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 and update the website as needed.

Ms. Brownlee reported there were no summer photo submissions for the Board to review. Director Pope reported difficulty with submission via the website.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

Ms. Shaw reported on a group of approximately fifty SCR residents referring to themselves as Shadow Creek Ranch Odor Mitigation who are filing protests with the appraisal districts regarding a reduction in the value of their property due to the odor and nuisance they claim to experience and suspect is caused by the nearby landfill and waste water treatment plant. Ms. Shaw stated she is on the City's task force, which is working with Brazoria County to investigate, and for which a final report is expected in two to three weeks. She noted the Texas Commission on Environmental Quality has taken air samples.

Ms. Shaw reported that Board members of the SCR homeowners associations ("HOAs") requested she (1) acknowledge and express gratitude for the District's funding to rehabilitate the detention ponds; and (2) ask the District to consider contributing additional funds to help pay for SCR costs, including irrigation of common areas, playground equipment, and additional mosquito control. Discussion ensued, after which the Board requested a written request and report of the needed items.

The Board discussed the meeting schedule for the Association of Water Board Directors ("AWBD") Parks Committee.

ATTORNEY'S REPORT

There was no additional discussion.

ANNEXATION MATTERS

There was no discussion on this matter.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is September 2, 2016, at 12:00 p.m.

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. Ms. Shaw will present a written request and report from the directors of the SCR HOAs of the SCR items in need of funding at the next meeting.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax assessor/collector's report	1
Tax rate analysis	2
Security report	2
Engineer's report.....	3
Report from Earthcare Management.....	3
Bookkeeper's report.....	3
Proposed budget for fiscal year end September 30, 2017.....	3
Website Analytics Report	3

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



Secretary, Board of Directors

(SEAL)

