

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

November 4, 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 4th day of November, 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 Pope, thus constituting a quorum.

Also present at the meeting were Paul Wisdom and Eva De La Rosa of Shadow Creek Ranch Maintenance Association ("SCRMA"); Taylor Gunn of Perry Homes; Thomas Sikora of KB Home; David Patterson of Assessments of the Southwest, Inc. ("ASW"); Christina Garcia of Myrtle Cruz, Inc. ("MCI"); James Ross 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 October 7, 2016, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the October 7, 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.

SECURITY SERVICES REPORT

Director Zayas and Ms. Humphries entered the meeting.

The Board reviewed the attached written security report for Shadow Creek Ranch ("SCR") provided in advance of the meeting. Ms. Brook generally reviewed information presented by Officer Lucas at the November 1, 2016, meeting of Brazoria County Municipal Utility District No. 26 ("BC 26"), including the approval of an extra

patrol shift for the holiday season from November 15, 2016 to January 15, 2017, contingent upon the approval of same by the Board. Mr. Wisdom reported SCRMA will be installing cameras at the basketball courts and tennis courts due to resident reports of verbal abuse and suspected drug activity. Following review and discussion, Director Zayas moved to approve an extra patrol shift, as discussed. Director Axtell seconded the motion, which passed unanimously.

#### REPORT ON DEVELOPMENT

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

#### 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. Mr. Patterson reviewed the delinquent tax attorney's report, a copy of which is attached to the tax assessor/collector's report. He stated 0.00% of the District's 2016 taxes were collected as of October 31, 2016. Mr. Patterson reviewed a Certificate of Estimated Value as of October 1, 2016, from Fort Bend Central Appraisal District in the amount of \$433,413,785 and Brazoria County Appraisal District in the amount of \$554,755,940, which is an increase in the District's valuation of approximately \$150 million compared to 2015. 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.

#### ENGINEERING MATTERS

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

Mr. Ross stated the District received eight bids for the construction of public storm sewer to serve Shadow Creek Ranch MF-VI. Mr. Ross recommended award of the contract to the low bidder, Hurtado Construction Company ("Hurtado"), for a total bid amount of \$75,000.00. The Board determined that, in its judgment, Hurtado is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Ms. Humphries stated surplus funds are available in the operating account to direct fund this project if the Board wishes to directly fund the construction. No objection was made by Mr. Gunn or Mr. Sikora, who will have reimbursement due from the upcoming bond application no. 8.

Mr. Ross provided an update on the construction of the water, sewer, and drainage facilities to serve Southlake Section 11. He recommended the Board approve Pay Estimate No. 4 to 5758 Construction, L.P. in the amount of \$25,026.40.

Mr. Ross provided an update on the construction of the water, sewer, and drainage facilities to serve Southlake Phase 3 Collector Roads. He reviewed Change Order No. 1 from Hurtado, which increases the contract amount by \$4,000.

Mr. Ross provided an update on the preparation of bond application no. 8. He said he expects that the application will be submitted to the Texas Commission on Environmental Quality ("TCEQ") in the next two weeks.

Mr. Ross reported on monthly communication with Assistant City Manager Trent Epperson regarding the expansion of the City's wastewater treatment plant that serves SCR.

Mr. Ross provided an update from Cara Davis of the City Parks and Recreation Department regarding construction of the Shadow Creek Ranch Sports Park.

Following review and discussion, Director Rozell moved to approve the engineer's report and, based on the recommendation of the engineer, approve (1) award of the contract for the construction of the public storm sewer to serve Shadow Creek Ranch MF-VI to Hurtado in the amount of \$75,000.00 to be directly funded by the District using surplus operating funds; (2) Pay Estimate No. 4 to 5758 Construction, L.P. in the amount of \$25,026.40 for the construction of the water, sewer, and drainage facilities to serve Southlake Section 11; and (3) Change Order No. 1 from Hurtado in the amount of \$4,000 for the construction of the water, sewer, and drainage facilities to serve Southlake Phase 3 Collector Roads. The motion was seconded by Director Axtell and passed unanimously.

#### RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Brownlee reported that SCRMA indicated at BC 26's meeting this week that SCRMA will glue the fence caps onto the fence posts at the temporary ball fields.

#### 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 Rozell moved to approve the bookkeeper's report and payment of the bills. Director Axtell 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. Ms. Brownlee noted holiday safety tips were added to the newsletter notice

and the website. The Board 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

Mr. Wisdom introduced himself and stated he is SCRMA's Facilities Property Manager. He discussed his professional background. Mr. Wisdom discussed the most recent TCEQ Investigation Report of Blue Ridge Landfill ("BRL") from May 4, 2016 to August 18, 2016, a copy of which was emailed to the Board in advance of the meeting. He noted the Report indicates BRL is the cause of the odor nuisance in SCR.

Ms. Humphries and Ms. Brook discussed the Notice of Enforcement letter issued from the TCEQ to BRL, which reflects a summary of the investigation findings and recommended corrective actions for an alleged violation of odor discharge. Ms. Humphries stated the letter cites two violations and outlines the requirements for corrective action without the provision of a deadline or indication of a penalty. She added the Notice letter will be filed in the District's official records.

Ms. Humphries reported the Board of Directors of BC 26 deferred action regarding the environmental law firm's proposal to represent BC 26 in the odor nuisance matter. Ms. Humphries reported the Board of Directors of BC 26 tabled hiring an environmental lawyer in the matter, but authorized ABHR to send a letter on behalf of BC 26 to the appropriate State Senator and Representative expressing concern that TCEQ's Notice of Enforcement will not result in a quick and satisfactory resolution which eliminates or substantially reduces the odor.

#### ATTORNEY'S REPORT

The Board reviewed the proposal from Katten Muchin Rosenman LLP to BC 26. Discussion ensued.

#### 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 December 2, 2016, at 12:00 p.m.

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

(SEAL)



*[Handwritten Signature]*  
Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the approved notice to the community newsletters.
2. ABHR will submit updates to the District's website as directed.

LIST OF ATTACHMENTS TO MINUTES

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