

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

December 2, 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 2nd day of December, 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, thus constituting a quorum.

Also present at the meeting were Crystal Horn of McGrath & Co., PLLC ("McGrath"); 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 Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the November 4, 2016, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the November 4, 2016, regular meeting, as submitted. Director Axtell seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Brook reported the District must file an Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812. After discussion, the Board authorized ABHR to file the Annual Report.

SECURITY SERVICES REPORT

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

REPORT ON DEVELOPMENT

Ms. Horn distributed and reviewed a developer reimbursement report prepared by McGrath for the purpose of verifying the amount to reimburse Perry Homes and KB Home from the District's Series 2016 Unlimited Tax Bonds for impact fees paid on behalf of the District. Following review and discussion, Director Ruiz moved to approve the report and authorize disbursement of funds to Perry Homes and KB Home in the amounts reflected in the report. Director Pope seconded the motion, which passed unanimously.

Ms. Brook stated the surplus funds amount and bond issue requirement included in bond application no. 8 will be adjusted to reflect today's reimbursements.

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. He stated 4.27% of the District's 2016 taxes were collected as of November 30, 2016. Following review and discussion, Director Pope moved to approve the tax assessor/collector's report and payment of the bills. Director Zayas 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 reviewed and recommended approval of two pay estimates, as reflected in his report.

Mr. Ross provided an update on the preparation of bond application no. 8.

Mr. Ross reported on monthly communication with Assistant City Manager Trent Epperson regarding the expansion of the City of Pearland's ("City") 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. He noted the City expects to open the Sports Park by the end of the year.

Following review and discussion, Director Pope moved to approve the engineer's report and, based on the recommendation of the engineer, approve (1) Pay Estimate No. 1 to 5758 Construction, L.P. in the amount of \$97,006.50 for the construction of Shadow Grove Lake 1 Expansion and Lake 3; and (2) Pay Estimate No. 1 to Rodriguez Construction Group LLC in the amount of \$316,986.07 for the construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 4 and 5. The motion was seconded by Director Zayas 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.

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.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

Director Zayas reported she is now a Director on the Board of the Diamond Bay Homeowner's Association

ATTORNEY'S REPORT

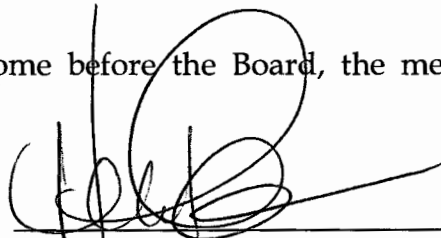
Ms. Brook reported Brazoria County Municipal Utility District No. 26 ("BC 26") received an estimate of \$2,500 to engage Katten Muchin Rosenman LLP to send a letter to the Texas Commission on Environmental Quality ("TCEQ") and do initial monitoring regarding the status of enforcement of the odor nuisance matter. She noted BC 26 has not engaged the law firm at this time. Ms. Brook reported the attorney for

Brazoria County Municipal Utility District No. 34 ("BC 34") reported that BC 34 is willing to cost share, based on the Districts' respective taxable values, certain limited purpose legal expenses, should BC 26 and the District determine to engage the law firm for monitoring of the matter. Discussion ensued, after which the Board concurred to assess Blue Ridge Landfill's ("BRL") response to the TCEQ's Notice of Enforcement before taking any action. Director Zayas stated she will contact the City to obtain BRL's response deadline.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is January 6, 2017, at 12:00 p.m.

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



Secretary, Board of Directors

(SEAL)



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.
3. Director Zayas will contact the City to obtain BRL's response deadline.

LIST OF ATTACHMENTS TO MINUTES

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