

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

August 4, 2017

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 August, 2017, 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 Ruiz, thus constituting a quorum. Director Zayas was present via teleconference.

Also present at the meeting were Zyriah Taylor, member of the public; Taylor Gunn of Perry Homes LLC; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); David Patterson of Assessments of the Southwest, Inc. ("ASW"); Officer Natisha Lucas of City of Pearland ("City") Police Department; Christina Perry 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").

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

MINUTES

The Board considered approving the minutes of the July 6, 2017, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Pope moved to approve the minutes of the July 6, 2017, regular meeting, as submitted. Director Axtell seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

Officer Lucas reviewed the attached written security report for Shadow Creek Ranch, provided in advance of the meeting.

Officer Lucas and Zyriah Taylor left the meeting.

REPORT ON DEVELOPMENT

Mr. Gunn 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 98.76% of the District's 2016 taxes were collected as of July 31, 2017. Following review and discussion, Director Axtell moved to approve the tax assessor/collector's report and payment of the bills. Director Pope seconded the motion, which carried by unanimous vote.

Mr. Patterson stated the District's 2017 net taxable value according to the Brazoria County Appraisal District and the Fort Bend Central Appraisal District is \$969,541,817, an approximate 11 percent increase from last year.

DISCUSS 2017 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 2017 debt service tax rate of \$0.80 per \$100 of assessed valuation. 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 8, 2017, to set the proposed 2017 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 Pope seconded the motion, which carried unanimously.

RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF THE FORT BEND CENTRAL APPRAISAL DISTRICT (THE "APPRAISAL DISTRICT")

Ms. Brook discussed the process for casting the District's allocated votes for a water district nominee to appear on the ballot in the Appraisal District's Board election. She presented a District ballot from the Appraisal District reflecting nine allocated votes, noting a deadline of August 15th to cast the votes. After review and discussion, Director Rozell moved to: (1) adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the Fort Bend Central Appraisal District, casting the District's nine votes for William Schwer to appear on the ballot; and (2) direct that the Resolution be filed appropriately with the Appraisal District and retained in the District's official records. Director Pope seconded the motion, which passed unanimously.

Mr. Gunn left the meeting.

ENGINEERING MATTERS

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

Mr. Ross reported that the District received nine bids for the construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 7. He recommended a contract be awarded to the low bidder, Dimas Bros. Construction Co., ("Dimas") for a total bid amount of \$539,127.00. The Board concurred that award of a contract to Dimas would be most advantageous and would result in the best and most economical completion of the project. The Board considered approving a letter financing agreement with KB Home related to the financing of the project.

Mr. Ross reviewed and recommended approval of one pay estimate as reflected in his report.

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 a contract to Dimas in the amount of \$539,127.00 for construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 7 and a related letter financing agreement with KB Home; and (2) Pay Estimate No. 1 to Rodriguez Construction Group LLC in the amount of \$300,803.50 for the construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 6. The motion was seconded by Director Axtell and passed unanimously.

Ms. Williams left the meeting.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Perry 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. She noted Director Zayas's Association of Water Board Directors ("AWBD") summer conference reimbursement is subject to confirmation of outstanding documentation. Ms. Perry noted the Board can approve a check to be sent to Director Zayas to complete the AWBD summer conference reimbursement upon the bookkeeper's confirmation of compliance with the District's guidelines.

Ms. Perry reviewed the proposed budget for fiscal year end September 30, 2018, a copy of which is included in the bookkeeper's report. She requested all directors and consultants provide comments before the next meeting date.

Ms. Brook reported the Board of Directors of Brazoria County Municipal Utility District No. 26 ("BC 26") at their last meeting requested Shadow Creek Ranch Maintenance Association ("SCRMA") present its budget, any current proposals for purchase and installation of additional security cameras, and any other items for consideration of municipal utility district ("MUD") eligible funding to BC 26's next regularly scheduled Board meeting.

Ms. Brook then distributed a copy of a proposal from Today's Integration for the purchase and installation of additional security cameras. Ms. Brook noted Officer Lucas stated in BC 26's most recent Board meeting that she recommended to the City and to SCRMA installation of additional security cameras in certain Shadow Creek Ranch ("SCR") locations.

After review and discussion, Director Rozell moved to approve the bookkeeper's report and payment of the bills, including a check to complete Director Zayas's AWBD summer conference reimbursement, subject to the bookkeeper's confirmation of outstanding documentation. Director Axtell seconded the motion, which passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice distributed to the Board in advance of today's meeting and considered website updates. The Board reviewed an analytics report on the prior month's website activity, a copy of which is attached. Following review and discussion, the Board concurred to authorize publication of the newsletter notice, as submitted.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

Ms. Brook reported the Board of Directors of BC 26 at its July 11, 2017, meeting authorized extension of Katten Muchin Rosenman LLP's ("KMR") engagement with the District to monitor Blue Ridge Landfill's (the "Landfill") Plan compliance and provide reports of such to Representative Ed Thompson, contingent on cost sharing with the District and requesting cost sharing from Brazoria County Municipal Utility District No. 34 ("BC 34").

Director Zayas reported on her attendance with BC 26 Director Michael Parks at the most recent BC 34 Board meeting to request participation in cost-sharing of special counsel fees for representation regarding matters concerning the Landfill. She stated BC 34 declined cost-sharing participation at this time. Director Zayas stated she will continue to attend the City's Odor Task Force meetings.

Ms. Brook and Director Rozell reported they were contacted by Community Impact Newspaper regarding SCR MUD matters and provided responses on behalf of the District.

The Board reviewed a flyer from Simple Recycling regarding curbside textile recycling.

Mr. Ross left the meeting.

ATTORNEY'S REPORT

Ms. Brook noted the City has filed a lawsuit against the Landfill. She provided a copy of a Community Impact Newspaper article reporting on such to the Board for review.

After discussion, the Board concurred to decline participation in cost-sharing for extension of KMR's engagement at this time.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL, INCLUDING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AIR QUALITY MONITORING

The Board did not convene in executive session.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is September 8, 2017, at 12:00 p.m.

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

(SEAL)



[Handwritten Signature]
ASST. Secretary, Board of Directors

ACTION LIST

1. Ms. Brownlee will submit the monthly notice to the community newsletters for publication.
2. ABHR will submit updates to the District's website as directed.
3. District consultants and Directors will submit budget for fiscal year ending September 30, 2018 comments to the District's bookkeeper before the next regularly scheduled meeting.

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