

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

January 5, 2018

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 January, 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, thus constituting a quorum.

Also present at the meeting were Ed Mears, member of the public; Terri and Andrew Earles, Amy Miller, Kenneth McKee, Freddy Garza, and Julie Ward, District residents; Rhonda Patterson of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc.; Christina Perry of Myrtle Cruz, Inc. ("MCI"); Ryan Hawkins of KB Home; Officer Natisha Lucas of the City of Pearland ("City") Police Department; and Lynne Humphries, Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 1, 2017, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Axtell moved to approve the minutes of the December 1, 2017, regular meeting, as submitted. Director Ruiz seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Director Rozell opened the floor to public comments. Each attending District resident introduced him or herself and commented regarding the effects of living near the Blue Ridge Landfill ("Landfill"). The Board noted receipt of more than one hundred emails from District residents complaining of noxious odors from the Landfill. Mr. Mears, a member of the public, stated he requested residents contact the Board to request Danny Worrell be hired as special counsel regarding matters concerning the Landfill in response to a report from the Board of Brazoria County Municipal Utility

District No. 26 ("No. 26") at its most recent meeting that the Board has declined further engagement of Mr. Worrell.

ATTORNEY'S REPORT

Ms. Humphries reported that the Board of BC 26 and ABHR contacted State Representative Thompson, in response to a report from Mr. Mears, that Representative Thompson requested Mr. Mears to attend a State Legislative Environmental Committee hearing scheduled for January 23, 2018, at 9:00 a.m. in Austin, Texas, and provide help with input for the Environmental Committee to consider in preparation of crafting legislation for next year. Ms. Humphries stated Representative Thompson's office indicated the Representative does not need any help from the District or BC 26 at this time, and will only hear invited testimony at the upcoming hearing, but was appreciative of the District's offer and would let us know if/when we can be helpful. Ms. Humphries reported on communication between AHBR and Mr. Worrell regarding a cost estimate for further engagement to represent the District and BC 26. She stated he was unable to provide a cost estimate because he does not know the scope of what the District and BC 26 want him to do.

Ms. Humphries provided a draft letter from the District to the Texas Commission on Environmental Quality ("TCEQ") Regional and Executive Director, which cites the District's concerns regarding the TCEQ Agreed Order issued to the Landfill. She noted the letter also forwards the resident emails and copies City, County, and State representatives. Discussion ensued, after which Director Ruiz moved to authorize the Board President to execute the letter. Director Zayas seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. Following review and discussion, Director Ruiz moved to approve the engineer's report. The motion was seconded by Director Zayas and passed unanimously.

SECURITY SERVICES REPORT

Officer Lucas reviewed the attached written security report for Shadow Creek Ranch, provided in advance of the meeting. She stated an additional patrol officer is needed for coverage of the current Shadow Creek Ranch patrol schedule. Following review and discussion, Director Ruiz moved to approve an Amended and Restated Security Patrol Services Agreement, subject to approval by the Board of BC 26. Director Axtell seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

Mr. Hawkins introduced himself. He stated he had no report on development in the District.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Patterson distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. She stated 71.06% of the District's 2017 taxes were collected as of December 31, 2017. 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.

CONSENT TO ASSIGNMENT AND APPROVE AMENDMENT OF THE TAX ASSESSOR/COLLECTOR CONTRACT

Ms. Patterson presented an Assignment of Tax Assessor/Collector Contract, which assigns the District's current contract with Thomas W. Lee for assessment and collection of District taxes to ASW. Ms. Patterson then reviewed an Amendment of the District's Tax Assessor/Collector Contract, which includes a fee increase. She stated the most recent fee increase was October of 2008. She then reviewed an Overview of Changes, which details the individual rate changes and the total annual fee increase. Following review and discussion, Director Axtell moved to approve the Assignment of Tax Assessor/Collector Contract and the Amendment of the District's Tax Assessor/Collector Contract. Director Ruiz seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, including the investment report, budget comparison, and list of checks presented for approval, a copy of which is attached.

Pursuant to the District's Investment Policy, Ms. Perry presented the annual disclosure statements for the District's bookkeeper and Investment Officer. Ms. Brook explained the bookkeeper and Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District.

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming Association of Water Board Directors ("AWBD") winter conference in Dallas on January 26-27, 2018. Ms. Perry reported the updated mileage reimbursement rate, as established by the Internal Revenue Service.

After review and discussion, Director Axtell moved to (1) approve the bookkeeper's report and payment of the bills; (2) accept Christina Perry's disclosure statement as the District's bookkeeper; (3) accept Mary Jarmon's disclosure statement as the District's Investment Officer; (4) direct that the disclosure statements be filed appropriately and retained in the District's official records; and (5) establish maximum limits of three director fees of office, two nights of lodging, and reasonable and necessary meals for any director attending the AWBD winter conference, submitted in accordance with the travel guidelines. Director Zayas 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. The Board considered website updates and 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, including an update of the Board's action to date regarding matters concerning the Landfill, including the letter authorized today.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

No further reports were presented.

ATTORNEY'S REPORT, CONTINUED

The Board requested ABHR invite the Board of BC 26 to attend a joint meeting one hour before the next regularly scheduled Board meeting to discuss matters concerning the Landfill. The Board requested ABHR notify the Board of Brazoria County Municipal Utility District No. 34 ("No. 34") of the joint meeting, once confirmed.

Ms. Brook reported on the District's post-issuance compliance activities during the prior calendar year related to bond financings. She stated that no action is required at this time.

Ms. Brook stated ABHR is updating the District's 2018 Information Kit and will present a draft at next month's Board meeting.

Ms. Brook stated the District's insurance policies will expire on March 19, 2018. After discussion, the Board directed ABHR to request a renewal proposal from the District's current provider for consideration at next month's meeting.

2018 DIRECTORS ELECTION

Ms. Brook discussed procedures related to the 2018 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors during the 2018 Directors Election Period appointing Tracie Brownlee as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election.

Ms. Brook reported on requirements to file a Notice of Deadline to File Applications for Place on the Ballot for the 2018 Directors Election. Ms. Brook noted that the District may contract with Brazoria County (the "County") to conduct the District's 2018 Directors Election.

Following review and discussion, Director Pope moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board During the 2018 Directors Election Period appointing Tracie Brownlee as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) authorize the Secretary's agent to post the Notice of Deadline to File Applications for Place on the Ballot for the 2018 Directors Election; and (3) contract with the County to administer the District's 2018 Directors Election. Director Zayas seconded the motion, which was approved by unanimous vote.

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 February 2, 2018, at 11:00 a.m. but would begin with the joint discussion regarding the Landfill with BC 26.

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

(SEAL)



/s/ Heather Zayas
Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the monthly notice to the community newsletters for publication.
2. ABHR will submit updates to the District’s website as directed.
3. ABHR will mail the letter executed by the President to the TCEQ and city, county, and state representatives.
4. ABHR will invite the Board of BC 26 to attend a joint meeting one hour before the next regularly scheduled District Board meeting.
5. ABHR will notify the attorney of No. 34 of the joint meeting with No. 26, once confirmed.

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