

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

March 2, 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 2nd day of March, 2018, 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 Rosa Saade, Michael Parks, Tammy Grohman, and Julie Ward, District residents; Officer Natisha Lucas of the City of Pearland ("City") Police Department; David Patterson of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc.; Erin Garcia of Myrtle Cruz, Inc. ("MCI"); Ryan Hawkins of KB Home; and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 2, 2018, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Ruiz moved to approve the minutes of the February 2, 2018, regular meeting, as submitted. Director Pope seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Ms. Saade addressed the Board regarding how the Blue Ridge Landfill ("Landfill") odor nuisance is affecting her and the steps she has taken to report such to governmental representatives. She requested the Board take action to have the District join the City lawsuit against the Landfill. The Board noted the District likely has no standing to do so. The Board suggested Ms. Saade may (1) join in or file a civil lawsuit against the Landfill; and (2) recruit other Shadow Creek Ranch ("SCR") residents to regularly contact State Representatives Ron Reynolds and Ed Thompson and attend City Council meetings and speak under public comments regarding the Landfill.

Officer Lucas entered the meeting.

REPORT ON DEVELOPMENT

Mr. Hawkins reported on development in the District, including home sales.

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 96.35% of the District's 2017 taxes were collected as of February 28, 2018.

Mr. Patterson reviewed requests for a waiver of the 2017 tax bill penalty and interest from the property owner of 3006 Inglewood Lane and the property owner of 13307 Highland Lake Lane, copies of which are attached to the tax assessor/collector's report. Discussion ensued, after which the Board determined there is no basis in the law to grant the waivers.

Following review and discussion, Director Rozell moved to approve the tax assessor/collector's report and deny the requests to waive the 2017 tax bill penalty and interest for the property owners of 3006 Inglewood Lane and 13307 Highland Lake Lane. Director Ruiz seconded the motion, which carried by unanimous vote, with Director Axtell abstaining.

SECURITY SERVICES REPORT

There was no discussion on this matter.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES, OR A SECURITY AUDIT.

The Board convened in executive session at 12:33 p.m. to discuss security with Officer Lucas.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES.

The Board reconvened in general session at 12:42 p.m.

Officer Lucas left the meeting.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. He updated the Board on the status of District engineering projects.

Mr. Ross reviewed and recommended two pay estimates, as reflected in his report.

Mr. Ross reviewed proposals from LJA and Jones-Heroy & Associates, Inc. ("Jones-Heroy") to prepare bond application no. 9. The Board considered authorizing the auditor to prepare the developer reimbursement report in connection with bond application no. 9.

Following review and discussion and based upon the engineer's recommendation, Director Axtell moved to approve (1) Pay Estimate No. 1 in the amount of \$398,980.26 submitted by R Construction Civil, LLC dba R Construction Company for the construction of the water, sewer, and drainage facilities to serve Southlake Section 12; (2) Pay Estimate No. 2 in the amount of \$79,022.12 submitted by Dimas Brothers Construction Co. for the construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 7; (3) LJA proposal to prepare bond application no. 9; (4) Jones-Heroy proposal to prepare bond application no. 9; and (5) preparation of the developer reimbursement report in connection with bond application no. 9 by McGrath & Co., PLLC. Director Zayas 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.

Ms. Garcia reviewed a Certificate of Deposit ("CD") rate sheet and recommended the Board authorize moving certain operating account funds to banks paying higher interest rates.

After review and discussion, Director Ruiz moved to (1) approve the bookkeeper's report and payment of the bills; and (2) authorize moving certain operating account funds to banks paying higher interest rates, as recommended. 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. Ms. Brook reported that

the Board of Brazoria County Municipal Utility District No. 26 ("BC 26") at the most recent meeting approved the Off Cinco proposal for additional webmaster monitoring and alerts.

Following review and discussion, Director Ruiz moved to approve publication of the newsletter notice and the Off Cinco proposal for additional webmaster monitoring and alerts. Director Pope seconded the motion, which passed unanimously.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Zayas reported on ongoing communication with City Councilmember Trent Perez, who is also a member of the Texas Commission on Environmental Quality ("TCEQ") Municipal Solid Waste Management and Resource Recovery Advisory Council ("Council"). Director Zayas reported that Councilman Perez stated the City is compiling a graphic that reflects the timeline and number of resident complaints regarding the Landfill and will provide such to her.

ATTORNEY'S REPORT

Ms. Brook stated the letters regarding the Landfill authorized at last month's meeting, copies of which were distributed to the Board, are being submitted to the requested parties.

Ms. Brook reviewed the District's Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System in compliance with SEC Rule 15c12-12 and with the Municipal Advisory Council of Texas, the State Information Depository, by March 31, 2017.

The Board reviewed the District's written procedures for continuing disclosure compliance and determined no changes are required at this time.

The Board reviewed the 2018 District Information Kit.

Following review and discussion, Director Rozell moved to approve (1) the Annual Report to be filed in compliance with the continuing disclosure provisions contained in the bond resolutions and direct that the Annual Report be filed appropriately and retained in the District's official records; and (2) the 2018 Information Kit and direct that it be posted on the District's website. Director Ruiz seconded the motion, which passed unanimously.

Ms. Brook reminded the Board that the City includes the District in its Storm

Water Management Plan ("SWMP") as coordinated by Storm Water Solutions ("SWS"). She reported that SWS has requested the Board authorize execution and submittal of the Year 4 Annual Report to the TCEQ. After review and discussion, Director Pope moved to authorize execution and submittal of the Year 4 Annual Report to the TCEQ. The motion was seconded by Director Axtell and passed by unanimous vote.

2018 DIRECTORS ELECTION

Ms. Brook discussed procedures related to the 2018 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors, to be executed by the Board Secretary, stating the District received two candidate applications for the two director positions for the May 5, 2018, Directors Election.

Ms. Brook presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating the May 5, 2018, Directors Election is cancelled and that the unopposed candidates, Michael Parks and Karri Axtell, are declared elected to office to serve from the May 5, 2018, election until the May 7, 2022, Directors Election.

Ms. Brook reminded the Board it approved entering into a contract with Brazoria County (the "County") to administer the District's 2018 Directors Election, which may now be cancelled.

Following review and discussion, Director Rozell moved to (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors; (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office; and (3) cancel the contract with the County for election services for the May 2018 Directors Election. Director Zayas seconded the motion, which was approved by unanimous vote.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is April 6, 2018, at 12:00 p.m.

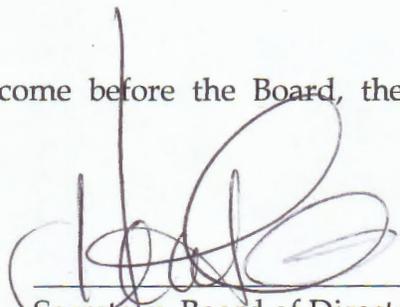
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL

The Board did not convene in this executive session.

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

(SEAL)




Secretary, Board of Directors

ACTION LIST

1. Director Zayas will provide the graphic and any Council updates provided by Councilman Perez.
2. ABHR will submit updates to the District's website as directed.
3. ABHR will submit the monthly newsletter notice for publication.

LIST OF ATTACHMENTS TO MINUTES

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