

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

May 4, 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 4th day of May, 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
Julie M. Ward	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Stacey Smith, a member of the public; Brittini Silva of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc.; Erin Garcia of Myrtle Cruz, Inc. ("MCI"); Officer Corey Gray of the City of Pearland (the "City") Police Department; and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the April 6, 2018, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the April 6, 2018, regular meeting, as submitted. Director Axtell seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Mr. Smith discussed the location of property he owns near the District and requested the property be annexed into the District. Mr. Smith noted the property is not in the City limits.

SECURITY SERVICES REPORT

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

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice distributed to the Board in advance of today's meeting. The Board concurred to authorize ABHR to submit the newsletter notice for publication, as submitted.

The Board reviewed an analytics report on the prior month's website activity, a copy of which is attached. The Board discussed the design of the separate District website and concurred to approve the design.

Officer Gray and Mr. Smith left the meeting.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Brook reported that, following the last District Board meeting, notice of an April 24, 2018, legislative hearing (the "Hearing") at the State Capitol was posted, and State Representative Ed Thompson's office requested testimony at the Hearing from resident Directors of the District and/or Brazoria County Municipal Utility District No. 26 ("BC 26") regarding the effects of living near the Blue Ridge Landfill. Ms. Brook reported Director Zayas attended the Hearing, and a BC 26 Director was not available to attend. She added the BC 26 Board at its most recent meeting approved sharing with the District fifty percent of the cost to reimburse Director Zayas for her expenses to travel to the State Capitol to testify at the Hearing. The Board considered reimbursing Director Zayas fifty percent of her costs to travel to testify at the Hearing and concurred to decide the matter at a future meeting upon Director's Zayas' presentation of expense documentation.

Director Zayas reported on the Hearing and testimony provided by herself and other Shadow Creek Ranch ("SCR") residents.

The Board discussed a Candidate Forum that was held on April 24, 2018, which included candidates of the BC 26 Directors Election and which certain Board members attended.

REPORT ON DEVELOPMENT

No report was presented. Mr. Ross reported that it is not necessary for the District to enter into a Street Guarantee Agreement.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Silva distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. She stated 98.10% of the District's 2017 taxes were collected as of April 30, 2018.

Ms. Silva reviewed a request for a waiver of the 2017 tax bill penalty and interest from the property owner of 13614 Orchard Wind Lane, a copy of which is 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 waiver.

Following review and discussion, Director Rozell moved to approve the tax assessor/collector's report and deny the request to waive the 2017 tax bill penalty and interest for the property owner of 13614 Orchard Wind Lane. Director Pope 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. He updated the Board on the status of District engineering projects.

Mr. Ross recommended approval of Pay Estimate No. 2 and Change Order No. 1 in the respective amounts of \$285,645.12 and \$60,368.25, submitted by R Construction Civil, LLC dba R Construction Company ("RCC") for the construction of the water, sewer, and drainage facilities to serve Southlake Section 12. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Ross recommended approval of Pay Estimate No. 3 and Final in the amount of \$44,514.15, submitted by Dimas Brothers Construction Company ("DBCC") for the construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 7.

Mr. Ross reported Camino Services has completed taking digital photos of sections of the District's storm sewer system. He stated LJA is completing a review to assess if maintenance is needed following Hurricane Harvey. He noted he also will review the digital photos with the City.

Mr. Ross provided an update on the City's sewage treatment plant expansion.

Following review and discussion, Director Axtell moved to approve the engineer's report and (1) Pay Estimate No. 2 and Change Order No. 1 in the respective amounts of \$285,645.12 and \$60,368.25, submitted by RCC, based on the engineer's recommendation and the Board's finding that Change Order No. 1 is beneficial to the District; and (2) Pay Estimate No. 3 and Final in the amount of \$44,514.15, submitted by DBCC. Director Ward seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming AWBD summer conference in San Antonio. After review and discussion, Director Zayas moved to establish maximum limits of four Director fees of office, three nights of lodging, and three meal expenses per day for any director attending the AWBD summer conference for expenses submitted in accordance with the guidelines. Director Axtell seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia 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 distributed a Certificate of Deposit ("CD") interest rate sheet, a copy of which is attached to the bookkeeper's report. Ms. Garcia made recommendations to the Board regarding transfer of District funds to CDs.

After review and discussion, Director Axtell moved to approve the bookkeeper's report and payment of the bills; and the transfer of certain District funds to four CDs, as recommended by Ms. Garcia. Director Ward seconded the motion, which passed unanimously.

Director Axtell left the meeting.

ATTORNEY'S REPORT

Ms. Brook reported that the Board of BC 26 at its next meeting will consider authorizing execution of a letter in support of federal funding for a U.S. Army Corps of Engineers Clear Creek drainage improvement project (the "Clear Creek Project") for flood mitigation to benefit SCR. Ms. Brook noted the matter was brought to the Board of BC 26 by BC 26 resident Ed Mears under the public comments section. She noted the City Council adopted a Resolution expressing the City's support of federal funding of the Clear Creek Project at its November 6, 2017, special meeting. Discussion ensued, after which the Board concurred to include an agenda item for the next meeting to approve execution of a letter in support of federal funding for the Clear Creek Project.

Ms. Brook reminded the Board that it was forwarded a letter from Shadow Creek Ranch Maintenance Association ("SCRMA") addressed to the Boards of the District and BC 26 regarding certain representations by SCRMA Board members Ed Mears and

Marie Ferguson regarding the security cameras installed throughout the District and BC 26. Discussion ensued.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is June 1, 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.

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 did not convene in this executive session.

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

(SEAL)



Geoffrey R. Pope
Secretary, Board of Directors

ACTION LIST

1. ABHR will submit updates to the District's website as directed.
2. ABHR will submit the monthly newsletter notice for publication.
3. Mr. Ross will review the digital photos of certain sections of the District's storm sewer system with the City.

LIST OF ATTACHMENTS TO MINUTES

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