

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

October 10, 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 10th day of October, 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 Parks	President
Julie Ward	Vice President
Geoffrey Pope	Secretary
Karri Axtell	Assistant Vice President
Heather Zayas	Assistant Secretary

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

Also present at the meeting were Kassim Kassim, District resident; Jimm Davis and Delia Yanez of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); Ryan Hawkins of KB Home; Taylor Baumgartner of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

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.

The Board reviewed the written security report for Shadow Creek Ranch ("SCR"), provided in advance of the meeting. Ms. Brook reported on correspondence received by ABHR on behalf of Brazoria County Municipal Utility District No. 26 ("No. 26") from the Assistant Chief of Police of the City of Pearland (the "City") in response to No. 26's request for a Data-Driven Approaches to Crime and Traffic Safety ("DDACTS") report on the apartment complexes located in SCR. Ms. Brook noted No. 26 Director Ed Mears presented such request to City Council during the public comments segment of the September 24, 2018, meeting. She noted such correspondence declines the requested DDACTS and recommends alternate actions be taken regarding the apartment complexes located in SCR, which she reported to the Board.

MINUTES

The Board considered approving the minutes of the September 7, 2018, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Axtell moved to approve the minutes of the September 7, 2018, regular meeting, as submitted. Director Zayas seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Mr. Kassim introduced himself to the Board. The Board responded to Mr. Kassim's inquiry regarding any exemptions currently offered by the District for District residents and how to qualify for such. The Board confirmed their intent to discuss further exemptions in the spring of 2019.

NEWSLETTERS AND WEBSITE MATTERS

The Board considered approving the monthly newsletter notice for publication. Ms. Brook reviewed how such notice was updated for the month of November. The Board reviewed an analytics report on the prior month's website activity, a copy of which is attached, and considered if any website updates were needed. Following review and discussion, the Board concurred to authorize ABHR to submit (1) the newsletter notice for publication; and (2) website updates as posted articles become outdated.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

No reports were presented.

REPORT ON DEVELOPMENT

No reports were presented.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Yanez introduced Mr. Davis to the Board. She then distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll. A copy of the tax assessor/collector's report is attached. She stated 99.44% of the District's 2017 taxes were collected as of September 30, 2018. Following review and discussion, Director Zayas moved to approve the tax assessor/collector's report. Director Axtell seconded the motion, which carried by unanimous vote.

ENGINEERING MATTERS

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

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 reported the District has not received its monthly rebate from the City in two months. She noted she is following up with the City.

After review and discussion, Director Ward moved to approve the bookkeeper's report and payment of the bills. Director Zayas seconded the motion, which passed unanimously.

REVIEW BIDS AND AWARD SALE FOR THE DISTRICT'S \$5,800,000 UNLIMITED TAX BONDS, SERIES 2018 (THE "BONDS")

Ms. Williams stated the Board received seven bids for the Bonds, a summary of which is attached. Ms. Williams stated good faith checks were submitted by all of the bidders as requested.

Ms. Williams distributed and reviewed a report from Moody's Investors Service ("Moody's"), a copy of which is attached. She stated Moody's assigned an initial A1 rating to the District for the Bonds.

The Board next considered awarding the sale of the Bonds. Ms. Williams stated she verified the accuracy of the bids and recommended that the Board accept the bid with the lowest net effective interest rate submitted by Raymond James & Associates ("Raymond James"). After review and discussion, Director Axtell moved to award the sale of the Bonds to Raymond James, whose bid contained the lowest net effective interest rate. Director Ward seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE BONDS, APPROVE PAYING AGENT/REGISTRAR AGREEMENT, APPROVE OFFICIAL STATEMENT, EXECUTE CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE, AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALE AND AUTHORIZE THE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO THE PURCHASER, APPROVE CHECK TO THE ATTORNEY GENERAL, EXECUTION OF AMENDMENT TO THE INFORMATION FORM, AND UPDATE ON INSPECTION OF FACILITIES

The Board next considered adopting a Resolution Authorizing the Issuance of the District's Bonds ("Resolution"). Ms. Humphries reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the Bonds, the payment of principal and interest over the life of

the Bonds, and certain District covenants regarding continuing disclosure and the tax-exempt status of the Bonds.

Ms. Brook reviewed the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A.

Ms. Williams stated the Preliminary Official Statement will be updated to include information regarding the bond sale.

Ms. Brook reviewed a Certificate Regarding Provision of Financial Advice, stating that ABHR has not provided the Board with financial advice in relation to the Bonds, and the Board has relied solely upon financial advice provided by Rathmann.

Ms. Brook stated it will be necessary for the President and Assistant Secretary of the Board to sign certain documents relating to the sale of the Bonds, and for the attorney to submit a transcript of the bond proceedings to the Attorney General of Texas. She added that the financial advisor also will take necessary action in connection with the delivery of the bonds to the purchaser.

Ms. Brook stated the Attorney General requires a fee to review the documents related to the issuance of the Bonds. She then requested the Board approve a check to the Attorney General for this purpose.

Ms. Brook stated the Texas Water Code requires the District to file an Amendment to the Information Form with Fort Bend and Brazoria Counties and the Texas Commission on Environmental Quality ("TCEQ") in order to reflect the bonds issued by the District. She then reviewed the Amendment to the Information Form with the Board.

After review and discussion, Director Axtell moved to (1) adopt the Resolution Authorizing the Issuance of the District's \$5,800,000 Unlimited Tax Bonds, Series 2018, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A, and direct that the Agreement be filed appropriately and retained in the District's official records; (3) approve the Certificate Regarding Provision of Financial Advice; (4) approve the Official Statement for the Series 2018 Bonds; (5) authorize the President and Assistant Secretary to sign the documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser; (6) approve the check to the Attorney General for review of the bond documents; and (7) authorize execution of the Amendment to the Information Form and direct that the Amendment be filed appropriately and retained in the District's official records. Director Ward seconded the motion, which passed by unanimous vote.

UPDATE FROM DISTRICT ENGINEER ON THE TCEQ INSPECTION OF FACILITIES

Mr. Baumgartner updated the Board on the status of the TCEQ inspection of facilities included in the Bonds.

ATTORNEY'S REPORT

There was nothing further from the attorney.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is November 2, 2018, at 12:00 p.m.

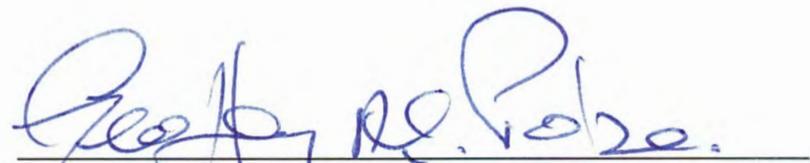
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL

The Board did not convene in executive session on this topic.

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

(SEAL)




Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the monthly newsletter notice for publication and updates to the website, as discussed.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
website analytics report	2
tax assessor/collector's report	2
engineer's report	2
bookkeeper's report.....	3
bid summary for Series 2018 Bonds	3
report from Moody's Investors Service	3