

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

December 7, 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 7th day of December, 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, thus constituting a quorum.

Also present at the meeting were Mark McGrath of McGrath & Co., PLLC ("McGrath"); Rhonda Patterson of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; Javier Ortiz and Chris Wilson of Shadow Creek Ranch Maintenance Association ("SCRMA"); Ryan Hawkins of KB Home Lone Star, Inc. ("KB Home"); Officers Natisha Lucas and Osiel De La Cruz of the City of Pearland (the "City") Police Department; James Ross of LJA Engineering, Inc. ("LJA"); and Hannah Brook, Tracie Brownlee, and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

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

COMMENTS FROM THE PUBLIC

The Board did not receive any comments from the public.

EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Brook reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

NEWSLETTERS AND WEBSITE MATTERS

The Board considered approving the monthly newsletter notice for publication. 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authorize ABHR to submit (1) the newsletter notice for publication; and (2) website updates as posted articles become outdated.

Mr. Hawkins and Officers Lucas and De La Cruz joined the meeting.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Mr. Ortiz presented and reviewed the attached Slope Irrigation Pump Proposal regarding restoration of the irrigation system serving the side slopes of the District's detention ponds. Mr. Ross discussed the importance of irrigation to maintain the pond side slopes which, he noted, is crucial for proper drainage. Mr. Ross reminded the Board that SCRMA is responsible for lake maintenance per agreements with the City. Mr. Ortiz responded to Board questions regarding the expected project timeline. Mr. Ross discussed the original design and installation of the irrigation pumps by KGA Deforest Design, LLC ("KGA") and LJA respectively. After review and discussion, the Board concurred to authorize LJA to coordinate with SCRMA and, if needed, KGA to assist with assembling the construction bid specifications.

Director Zayas joined the meeting.

REPORT ON DEVELOPMENT

Mr. McGrath presented and reviewed a supplemental Developer Reimbursement Report (the "Report") prepared by McGrath for the purpose of verifying the amount to reimburse KB Home from the District's \$14,100,000 Unlimited Tax Bonds, Series 2017 and \$5,800,000 Unlimited Tax Bonds, Series 2018 for impact fees paid on behalf of the District. After review and discussion, Director Axtell moved to approve the Report and direct that it be filed appropriately and retained in the District's records; and authorize disbursement of funds to KB Home pursuant to the Report. Director Ward seconded the motion, which was approved by unanimous vote.

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

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Patterson distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll and a report from the District's delinquent tax attorney. A copy of the tax assessor/collector's report is attached. She stated 7.11% of the District's 2018 taxes were collected as of November 30, 2018. Following review and discussion, Director Pope moved to approve the tax assessor/collector's report. Director Axtell 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. Following review and discussion, Director Zayas moved to accept the engineer's report. Director Pope seconded the motion, which passed unanimously.

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

At 12:37 p.m., the Board convened in executive session. All persons left the meeting except members of the Board, Officers Lucas and De La Cruz, Mr. Ortiz, Mr. Wilson, Ms. Brook, Ms. Smiley, and Ms. Brownlee. Officer Lucas reviewed the written security report for Shadow Creek Ranch, provided in advance of the meeting, and responded to questions from the Board.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES AND APPROVE ANY NECESSARY ACTIONS RELATED TO SECURITY REPORT, AND APPROVE ANY NEW SECURITY PATROL AGREEMENTS

At 12:50 p.m., the Board reconvened in open session. Officers Lucas and De La Cruz left the meeting.

ARBITRAGE REBATE REPORT

Ms. Brook reviewed a Final Excess Earnings Report (the "Earnings Report") prepared by OmniCap Group for the Series 2009 Unlimited Tax Bonds. Ms. Brook stated the Earnings Report reflects no payment was owed to the Internal Revenue Service.

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 January 4, 2019, 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.
2. Mr. Ortiz will coordinate with LJA to assist with assembling the construction bid specifications for the Slope Irrigation Pump Proposal.

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