

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

January 4, 2019

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 January, 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 Directors Ward and Zayas, thus constituting a quorum.

Also present at the meeting were Crystal Horn of McGrath & Co., PLLC ("McGrath"); David Patterson of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; Officer Natisha Lucas of the City of Pearland (the "City") Police Department; Everett Deao of LJA Engineering, Inc. ("LJA"); and Hannah Brook and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 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 December 7, 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.

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authorize ABHR to submit (1) the newsletter notice for publication; and (2) website updates as posted articles become outdated.

## REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Brook informed the Board that there would be a presentation from Storm Maintenance and Monitoring, regarding Blue Ridge Landfill odors, during the Brazoria County MUD No. 26 meeting on January 8, 2019.

### 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.

### 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

Officer Lucas reviewed the written security report for Shadow Creek Ranch, provided in advance of the meeting, and responded to questions from the Board.

## REPORT ON DEVELOPMENT

Ms. Horn presented and reviewed a revised 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. Ms. Brook updated the Board with respect to the funding error and advised that following approval of this report KB Home will return \$322,572 to the District for over payment of reimbursement. Director Pope seconded the motion, which was approved by unanimous vote.

## TAX ASSESSMENT AND COLLECTION MATTERS

Mr. 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. He stated 69.79% of the District's 2018 taxes were collected as of December 31, 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. Deao distributed and reviewed the engineer's report, a copy of which is attached. Following review and discussion, Director Axtell moved to accept the engineer's report. Director Pope seconded the motion, which passed unanimously.

## AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2018

Ms. Horn distributed and reviewed a draft of the audit for fiscal year end September 30, 2018. Following review and discussion, Director Axtell moved to approve the audit for fiscal year end September 30, 2018, subject to final review, and direct that it be filed appropriately and retained in the District's official records. Director Pope 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. Brook stated that, in accordance with the District's Investment Policy, Erin Garcia as the bookkeeper and Mary Jarmon as the Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission and the District Records and updated whenever necessary.

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 Austin on January 25-27, 2018. Director Parks requested approval of one additional per diem for an additional day he will attend the winter conference to represent the District as he serves as AWBD Past President on the Board of Trustees.

After review and discussion, Director Axtell moved to (1) approve the bookkeeper's report and payment of the bills; (2) accept Erin Garcia'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; (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; and (6) approve one additional director fee for Director Parks.

Director Pope seconded the motion, which passed unanimously.

#### ATTORNEY'S REPORT

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 distributed and reviewed a draft of the District's 2019 Information Kit. After discussion, the Board directed ABHR to make revisions and prepare the Kit for consideration at next month's meeting

Ms. Brook stated the District's insurance policies will expire on March 17, 2019. After discussion, the Board directed ABHR to request a renewal proposal from the District's current provider for consideration at next month's meeting.

#### DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

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

## LIST OF ATTACHMENTS TO MINUTES

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