

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

June 7, 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 7th day of June, 2019, 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 Axtell, thus constituting a quorum.

Also present at the meeting were Brittany Silva of Assessments of the Southwest, Inc.; Javier Ortiz and Chris Wilson of Shadow Creek Ranch Maintenance Association ("SCRMA"); Taylor Gunn of Perry Home; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); Erin Garcia of Myrtle Cruz, Inc.; Remy Midkiff and Edward Dodington of Greystar; Officer Natisha Lucas of the City of Pearland (the "City") Police Department; and Lynne Humphries, Hannah Brook, Aidé Meza, and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 10, 2019, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Ward moved to approve the minutes of the May 10, 2019, regular meeting. Director Zayas seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

NEWSLETTERS AND WEBSITE MATTERS

The Board reviewed a draft newsletter notice distributed in advance of today's meeting. The Board requested ABHR include hurricane preparedness information in the District's newsletter and post information on the District's website directing visitors to City and County emergency websites. The Board reviewed an analytics report on the prior month's website activity, a copy of which is attached. Following review and discussion, the Board concurred to authorize ABHR to submit (1) the newsletter notice for

publication; (2) hurricane preparedness information, and (3) any website updates as posted articles become outdated.

TAX ASSESSMENT AND COLLECTION MATTERS; DELINQUENT TAX ATTORNEY

Ms. Silva 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 98.60% of the District's 2018 taxes were collected as of May 31, 2019. She then reported the 2019 preliminary taxable value of the District is \$1,204,080,750, a \$140 million dollar increase from 2018. After review and discussion, Director Ward moved to approve the tax accessors/collector's report. Director Zayas seconded the motion, which was approved by unanimous vote.

Ms. Brook stated that on July 1, 2019, delinquent 2018 tax accounts will be assessed an additional 20% penalty. The Board considered authorizing the District's delinquent tax attorney to proceed with the collection of delinquent taxes after July 1.

ENGINEERING MATTERS

Ms. Brook read the engineer's report, a copy of which is attached.

Ms. Brook presented an engagement letter from Jones-Heroy & Associates ("Jones-Heroy") to prepare an Application for Use of Surplus Funds ("Application"). Following review and discussion, Director Ward moved to engage and authorize Jones-Heroy to prepare the application. Director Pope seconded the motion, which passed unanimously.

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, review of investments, and budget comparison. Director Zayas seconded the motion, which passed unanimously.

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.

ATTORNEY'S REPORT

There was no discussion on this matter.

RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION
FOR FORT BEND CENTRAL APPRAISAL DISTRICT

Ms. Humphries stated Michael Rozell was nominated for the same position on the Board of Directors for FBCAD, a term of office commencing on January 1, 2020, and extending through December 31, 2021. After discussion, the Board took no action on this item.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board discussed the meeting schedule and concurred to hold the regular meeting on July 2, 2019, at 1:00 p.m. at the offices of ABHR.

REPORT ON DEVELOPMENT

Ms. Brook discussed Greystar's request for a developer financing agreement to reimburse for the impact fee payment made by Greystar to the City. She noted that Ms. Williams can address the effect of the reimbursement of the impact fees on the District should the Board decide to move forward with the agreement. Ms. Williams stated that the developer typically earns reimbursement based on the assessed value of the property. She stated that in this case, with a multi-family tract, there are no internal lines and the only costs to the developer are the impact fees, and it is relatively easy to earn value for reimbursement purposes.

Ms. Williams noted that the Board also may wish to consider the use of accumulated debt service funds for a cash defeasance of certain eligible callable bonds. There was no action taken.

After review and discussion, Director Pope moved to approve the Development Financing Agreement and direct that the Agreement be filed appropriately and retained in the District's official records. Director Zayas seconded the motion, which carried 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 12:39 p.m., the Board convened in executive session. All persons left the meeting except members of the Board, Officer Lucas, Mr. Ortiz, Mr. Wilson, Ms. Brook, Ms. Meza, and Ms. Smiley. 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. Officer Lucas left the meeting.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Brook discussed the Lake Irrigation and Well Repair ("the Project") with the Board. She noted that the cost estimate, provided by SCRMA and LJA was revised to reflect the correct District boundaries and as a result the District's share has increased. A copy of the revised cost estimate is attached.

Ms. Brook informed the Board that Brazoria County Municipal Utility District No. 26 (BC 26) approved full replacement of the irrigation infrastructure and authorized repairs to make water wells functional for testing. Director Parks directed SCRMA to provide the Board with a comprehensive maintenance plan for the wells and irrigation facilities that includes more than annual inspection. After inquiry from the Board, Mr. Wilson stated that SCRMA expects to save approximately \$230,000 per year if the District chooses to move forward with the option approved by BC 26. He noted that the savings will be added to SCRMA's reserve account. Director Pope requested that LJA conduct site observations throughout the Project.

Following review and discussion, Director Ward moved to (1) approve full replacement of the irrigation infrastructure; (2) authorize repairs to make water wells operational for testing; and (3) authorize ABHR to prepare a cost sharing agreement. Director Pope seconded the motion, which passed unanimously.

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

(SEAL)



Reaffy AC Pope.
Secretary, Board of Directors

ACTION LIST

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