

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

September 6, 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 6th day of September, 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, thus constituting a quorum.

Also present at the meeting were Kerri Houck, a member of the public; Rhonda Patterson of Assessments of the Southwest, Inc.; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); Javier Ortiz of Shadow Creek Ranch Maintenance Association ("SCRMA"); Erin Garcia of Myrtle Cruz, Inc.; Patrick Newton of LJA Engineering, Inc. ("LJA"); Mark McGrath of McGrath & Co., PLLC ("McGrath"); Officer Natisha Lucas of the City of Pearland (the "City") Police Department via teleconference; and Lynne Humphries, Hannah Brook, Abigail Derrickson, and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the August 2, 2019, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Ward moved to approve the minutes of the August 2, 2019, as presented. Director Axtell 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 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ABHR to submit (1) the newsletter notice for publication; and (2) any website updates as posted articles become outdated.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Brook updated the Board on the most recent City of Pearland City Council meeting as it relates to municipal utility districts.

DISCUSS ASSISTING SCRMA WITH PAYMENT FOR CERTAIN ITEMS ELIGIBLE FOR MUD EXPENDITURES, INCLUDING EROSION PROTECTION AND IRRIGATION IMPROVEMENTS FOR DETENTION POND SLOPES

Mr. Ortiz updated the Board on the irrigation and well repair project. Ms. Garcia reported that a check issued to SCRMA for the irrigation and well repair project was returned. She stated that Myrtle Cruz is coordinating with the bank to resolve the matter.

REPORT ON DEVELOPMENT

There was no discussion on this item.

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 99.24 % of the District's 2018 taxes were collected as of August 31, 2019. After review and discussion, Director Pope moved to approve the tax accessors/collector's report. Director Zayas seconded the motion, which was approved by unanimous vote.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Brook stated that ASW published the required Notice of Public Hearing stating the District anticipates levying a maximum rate of \$0.848 at this meeting. Director Parks then opened the public hearing. No members of the public came forward to make comments. Director Parks closed the public hearing. Ms. Brook presented to the Board an Order Levying Taxes for a \$0.848 tax rate, comprised of \$0.80 for debt service and \$0.048 for operations and maintenance. Ms. Brook also presented an Amendment to Information Form reflecting the newly adopted tax rate. Following review and discussion, Director Ward moved to (1) adopt the Order Levying Taxes for a \$0.848 tax rate, comprised of \$0.80 for debt service and \$0.048 for operations and maintenance and direct that it be filed appropriately and retained in the District's official records; and (2) authorize execution of the Amendment to Information Form and direct that it be filed appropriately and retained in the District's official records. Director Zayas seconded the motion, which carried by unanimous vote.

ENGINEERING MATTERS

Mr. Newton reviewed the engineer's report, a copy of which is attached.

Following review and discussion, Director Pope moved to (1) approve a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Use of Surplus Funds. Director Atxell seconded the motion, which carried 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.

The Board reviewed the proposed budget for fiscal year ending September 30, 2020, a copy of which is included in the bookkeeper's report.

After review and discussion, Director Pope moved to (1) approve the bookkeeper's report and payment of the bills; and (2) adopt the budget for fiscal year ending September 30, 2020, as presented. Director Ward seconded the motion, which passed unanimously.

Mr. McGrath requested authorization for McGrath to conduct the District's annual audit, as needed. Following review and discussion, Director Pope moved to authorize McGrath to proceed with preparation of the audit for fiscal year ending September 30, 2019, pursuant to the District's engagement letter. Director Zayas seconded the motion, which passed unanimously.

The Board conducted an annual review of the District's Investment Policy and determined no changes were necessary.

Ms. Brook presented a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions to update the list of qualified banks with which the District may invest funds. She noted the District's bookkeeper provided an updated list of banks, which is attached as an exhibit to the Resolution.

After review and discussion, Director Atxell moved to adopt the Resolution Regarding Annual Review of Investment Policy; and the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolutions be filed appropriately and retained in the District's official records. Director Ward seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Brook stated that Director Mears of Brazoria County Municipal Utility District No. 26, has requested the Board consider adoption of a resolution in support of a grant

application, at the next regular meeting, to be submitted by Taxpayers for Environmental Quality, Inc., regarding the Blue Ridge Landfill.

RECEIVE REPORT FROM FINANCIAL ADVISOR ON CASH REDEMPTION OF BONDS AND REDEMPTION EXPENSES, AUTHORIZE CASH REDEMPTION OF BONDS, AND APPROVE NOTICE OF CASH REDEMPTION OF BONDS AND MATERIAL EVENT NOTICE

The Board considered authorizing a cash defeasance of certain of the maturities of the District's \$3,628,543.75 Unlimited Tax Bonds, Series 2012 ("Series 2012 Bonds"). The Board reviewed an analysis of the District's debt service requirements and a proposed redemption of the Series 2012 Bonds. A copy of the analysis is attached. Ms. Brook stated that the redemption would occur on November 1, 2019, after proper notice is given.

Ms. Brook then reviewed a Notice to Paying Agent of Bond Redemption to provide notice of the District's redemption of the Series 2012 Bonds. After review and discussion, Director Zayas moved to authorize the Notice to Paying Agent of Bond Redemption and material event notice and direct that they be filed appropriately and retained in the District's official records. Director Atxell seconded the motion, which carried unanimously.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred to hold the next regular meeting as scheduled on October 4, 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.

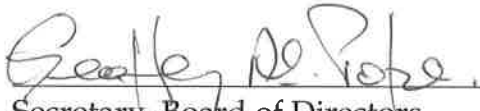
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES AND APPROVE ANY NECESSARY ACTIONS RELATED TO SECURITY REPORT, AND APPROVE ANY NEW SECURITY PATROL AGREEMENTS

Officer Lucas reviewed the security report with the Board.

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, INCLUDING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AIR QUALITY MONITORING

The Board did not convene in this executive session.

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


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

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