

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

June 2, 2017

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 2nd day of June, 2017, 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 D. Rozell	President
Geoffrey Pope	Vice President
Heather Zayas	Secretary
Karri Axtell	Assistant Vice President
Terry Ruiz	Assistant Secretary

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

Also present at the meeting were Taylor Gunn of Perry Homes LLC; Thomas Sikora of KB Home; Tayo Ilori of McGrath & Co., PLLC ("McGrath"); David Patterson of Assessments of the Southwest, Inc. ("ASW"); Amy Symmank of Myrtle Cruz, Inc. ("MCI"); Taylor Baumgartner of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 4, 2017, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the May 4, 2017, regular meeting, as submitted. Director Axtell seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

SECURITY SERVICES REPORT

The Board reviewed the attached written security report for Shadow Creek Ranch, provided in advance of the meeting.

## REPORT ON DEVELOPMENT

Messrs. Sikora and Gunn generally reported on development in the District.

Mr. Ilori presented and reviewed a Developer Reimbursement Report prepared by McGrath for the purpose of verifying the amount to be reimbursed to developers from the District's \$14,100,000 Unlimited Tax Bonds, Series 2017 ("Series 2017 Bonds"). After review and discussion, Director Axtell moved to (1) approve the Developer Reimbursement Report and authorize disbursement of funds to the following, pursuant to the Developer Reimbursement Report; and contingent on receipt of an executed Receipt and the closing of the Series 2017 Bonds: (i) SCR518, Ltd.; (ii) 741SCR, Ltd.; (iii) Perry Homes, LLC; (iv) KB Home Lone Star, Inc.; and (v) Newmark Homes Houston, LLC; and (2) direct that the Developer Reimbursement Report and Receipts be filed appropriately and retained in the District's official records. Director Zayas 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, a copy of which is attached. Mr. Patterson reviewed the delinquent tax attorney's quarterly report, a copy of which is attached to the tax assessor/collector's report. He stated 98.12% of the District's 2016 taxes were collected as of May 31, 2017. Following review and discussion, Director Axtell moved to approve the tax assessor/collector's report and payment of the bills. Director Zayas seconded the motion, which carried by unanimous vote.

Mr. Patterson reported the Deputy Chief Appraiser for Brazoria County Central Appraisal District indicated the District's 2016 property value protests based on the Blue Ridge Landfill (the "Landfill") odor nuisance were not significant in number.

## AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. Brook stated that as of July 1, 2017, outstanding 2016 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. Following discussion, Director Rozell moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2016 taxes as of July 1, 2017. 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.

Mr. Baumgartner reviewed and recommended approval of one pay estimate as reflected in his report.

Mr. Baumgartner provided an update regarding the City of Pearland's (the "City") wastewater treatment plant expansion.

Following review and discussion, Director Axtell moved to approve the engineer's report and, based on the recommendation of the engineer, approve (1) Pay Estimate No. 2 and Final to Hurtado Construction Company in the amount of \$7,251.00 for the construction of the public storm sewer to serve Shadow Creek Ranch MF-6. The motion was seconded by Director Zayas and passed unanimously.

Ms. Humphries left the meeting.

#### RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Brook reported that the temporary ball fields are now under the management of the City.

Messrs. Sikora and Gunn left the meeting.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Symmank distributed and 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 Rozell moved to approve the bookkeeper's report and payment of the bills. Director Axtell seconded the motion, which passed unanimously.

#### ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice and a website update distributed to the Board in advance of today's meeting. Ms. Brook noted Landfill updates are included. The Board reviewed an analytics report on activity on the website for the prior month, a copy of which is attached. Following review and discussion, the Board concurred to authorize publication of the newsletter notice and submission of the website update, as presented.

#### REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

No reports were presented. Messrs. Ilori and Baumgartner left the meeting.

ATTORNEY'S REPORT

Ms. Brook reported comments on the Agreed Order issued by the Texas Commission on Environmental Quality ("TCEQ") to the Landfill were drafted by Danny Worrell of Katten Muchin Rosenman LLP ("KMR") and distributed to the Board and the Board of Directors of Brazoria County Municipal Utility District No. 26 for review prior to submittal to the TCEQ in advance of the comment deadline. Ms. Brook reported on communication with Mr. Worrell regarding the Boards' comments and related matters. Ms. Brook stated the District executed an engagement letter from KMR which reflects authorization at the May 4, 2017, meeting to engage KMR for legal representation regarding the Landfill matter. Discussion ensued. Following discussion and based on a motion made by Director Zayas and seconded by Director Axtell, the Board unanimously ratified execution of the KMR engagement letter.

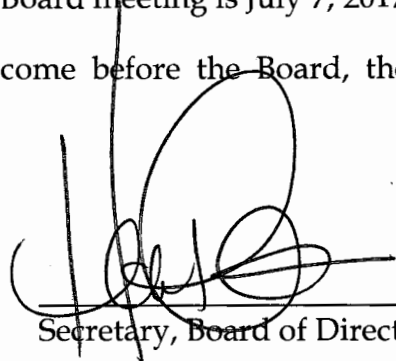
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL, INCLUDING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AIR QUALITY MONITORING

The Board did not convene in executive session.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is July 7, 2017, at 12:00 p.m.

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



Secretary, Board of Directors

(SEAL)



ACTION LIST

1. ABHR will submit the monthly notice to the community newsletters for publication.
2. ABHR will submit updates to the District's website as directed.

LIST OF ATTACHMENTS TO MINUTES

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