

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

September 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 September, 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 David Patterson of Assessments of the Southwest, Inc.; Tayo Ilori of McGrath & Co., PLLC ("McGrath"); Erin Garcia of Myrtle Cruz, Inc.; Officer Natisha Lucas of the City of Pearland (the "City") Police Department; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the August 7, 2018, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Pope moved to approve the minutes of the August 7, 2018, regular meeting, as submitted. Director Ward seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Director Parks opened the meeting to receive comments from the public. No member of the public came forward to address the Board.

NEWSLETTERS AND WEBSITE MATTERS

The Board reviewed a draft newsletter notice distributed to the Board 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, and considered updates to the District's website. Following review and discussion, the Board concurred to authorize ABHR to submit (1)

the newsletter notice for publication, as presented; and (2) website updates as posted articles become outdated.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

No reports were presented.

REPORT ON DEVELOPMENT

Director Axtell joined the meeting.

Mr. Ilori presented and reviewed a Developer Reimbursement Report prepared by McGrath for the purpose of verifying the amount to reimburse Perry Homes from the District's Unlimited Tax Bonds, Series 2017, for impact fees paid on behalf of the District. Following review and discussion, Director Pope moved to (1) approve the report; (2) direct that it be filed appropriately and retained in the District's official records; and (3) authorize disbursement of funds to Perry Homes in the amount indicated by the report. Director Ward seconded the motion, which passed unanimously.

The Board reviewed an email from a KB Home representative providing a general update regarding development in the Shadow Grove section of the District.

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 the tax assessor/collector's report is attached. He stated 99.27% of the District's 2017 taxes were collected as of August 31, 2018. Following review and discussion, Director Ward moved to approve the tax assessor/collector's report. Director Zayas seconded the motion, which carried by unanimous vote.

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 as presented 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 Pope seconded the motion, which carried by unanimous vote.

## ENGINEERING MATTERS

The Board acknowledged receiving communication prior to the Board meeting from the District engineer regarding engineering matters. Director Zayas provided a clarification regarding the status of a proposed easement to serve the City's wastewater treatment plant expansion, as reflected in such communication.

## 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. Officer Lucas and Ms. Williams joined the meeting.

The Board reviewed the proposed budget for fiscal year ending September 30, 2019, a copy of which is included in the bookkeeper's report.

Ms. Garcia reported she received documentation from Director Zayas for travel expenses to attend a legislative hearing at the State Capitol. Ms. Garcia reported she confirmed the expenses are in accordance with the District's travel reimbursement guidelines. She reminded the Board Brazoria County Municipal Utility District No. 26 ("BC 26") agreed to share the cost of such reimbursement equally.

After review and discussion, Director Pope moved to (1) approve the bookkeeper's report and payment of the bills; (2) adopt the budget for fiscal year ending September 30, 2019, as presented; and (3) approve reimbursement to Director Zayas for travel expenses to attend a legislative hearing at the State Capitol to be cost shared equally with BC 26. Director Ward seconded the motion, which passed unanimously.

Mr. Ilori reviewed with the Board an evergreen engagement letter from McGrath to conduct the District's annual audit and prepare developer reimbursement reports, as needed. After review and discussion, Director Axtell moved to approve McGrath's engagement letter and authorize McGrath to proceed with preparation of the audit for fiscal year ending September 30, 2018, pursuant to such letter. Director Zayas 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 12:27 p.m., the Board convened in executive session. All persons left the meeting except members of the Board, Officer Lucas, Ms. Brook, 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 12:43 p.m., the Board reconvened in open session. Officer Lucas left the meeting.

FINANCIAL AND BOOKKEEPING MATTERS, CONTINUED

The Board conducted an annual review of the District's Investment Policy and determined no changes were necessary. Ms. Brook presented a Resolution Regarding Annual Review of Investment Policy.

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 Axtell 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 Zayas seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

There was no report from the attorney.

SERIES 2018 UNLIMITED TAX BONDS ("SERIES 2018 BONDS") MATTERS, INCLUDING APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Williams distributed and reviewed the Preliminary Official Statement and Official Notice of Sale for the Series 2018 Bonds with the Board. After review and discussion, Director Axtell moved to approve the Preliminary Official Statement and Official Notice of Sale, subject to Board and consultant review. Director Ward seconded the motion, which passed unanimously.

UPDATE ON CITY APPROVAL OF BOND SALE, INCLUDING AUTHORIZE LETTER TO THE CITY SECRETARY REGARDING SUBMITTAL OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") ORDER APPROVING ISSUANCE OF SERIES 2018 BONDS

Ms. Brook stated that the District has received a TCEQ Order Approving Issuance of Series 2018 Bonds. After review and discussion, Director Axtell moved to authorize a letter to the City to submit the TCEQ Order in accordance with the Utility Agreement between the District and the City. Director Ward seconded the motion, which passed unanimously.

DISCLOSURES PURSUANT TO MUNICIPAL SECURITIES RULEMAKING BOARD REQUIREMENTS

Ms. Williams reviewed the financial advisor disclosures required by the Municipal Securities Rulemaking Board in connection with the Series 2018 Bonds. After review and discussion, Director Axtell moved to accept the disclosures presented by Rathmann. Director Ward seconded the motion, which passed unanimously.

ENGAGE RATING COMPANY TO PERFORM CREDIT RATING ANALYSIS FOR SERIES 2018 BONDS

The Board considered asking Moody's Investor Services to perform a credit rating analysis for the District's Series 2018 Bonds. After review and discussion, Director Axtell moved to ask Moody's Investor Services. Director Ward seconded the motion, which passed unanimously.

APPOINT PAYING AGENT/REGISTRAR

The Board discussed appointing The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the Series 2018 Bonds. After review and discussion, Director Axtell moved to appoint The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the Series 2018 Bonds. Director Ward seconded the motion, which passed unanimously.

AUTHORIZE ADVERTISEMENT FOR SALE OF THE SERIES 2018 BONDS AND SCHEDULE BOND SALE

The Board considered authorizing advertisement for sale of the Series 2018 Bonds and scheduling the Series 2018 Bond sale. After review and discussion, Director Axtell moved to authorize advertisement for sale of the Series 2018 Bonds; and schedule the bond sale for October 10, 2018, at 10:00 a.m. Director Ward seconded the motion, which passed unanimously.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is October 10, 2018, at 10:00 a.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.



  
ASST 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

	<u>Minutes</u>
	<u>Page</u>
website analytics report .....	1
tax assessor/collector's report .....	2
bookkeeper's report.....	3