

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

January 9, 2015

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 9th day of January, 2015, 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
Terry Ruiz	Secretary
Karri Axtell	Assistant Vice President
Jalene Palmer	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Caralynn Prade, Director of Brazoria County Municipal Utility District No. 26 ("BC 26"); Officer Natisha Lucas of City of Pearland Police Department (the "City"); Charlie Norton of Shadow Creek Ranch Maintenance Association ("SCRMA"); Michael Doyle of Development Consultants, Inc.; Taylor Gunn of Perry Homes, LLC; David Patterson of Assessments of the Southwest, Inc.; Christina Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 5, 2014, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Axtell moved to approve the minutes of the December 5, 2014 meeting, as presented. Director Pope seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT, DEVELOPER REIMBURSEMENT REPORT, AND DISBURSEMENT OF FUNDS

Ms. Brook reviewed a developer reimbursement report provided by McGrath & Co., PLLC ("McGrath") for reimbursement of impact fees to be paid from District surplus bond proceeds. Ms. Brook stated the developer reimbursement report recommends reimbursement in the amount of \$42,853 payable to M/I Homes of Houston, LLC ("M/I Homes"). Following review and discussion, Director Rozell moved to approve the developer reimbursement report, direct that it be filed appropriately and retained in the District's records, and authorize disbursement of

funds in the amount of \$42,853 payable to M/I Homes for reimbursement of impact fees, subject to McGrath's confirmation of the source of District funds from surplus bond proceeds. The motion was seconded by Director Palmer and passed unanimously.

Mr. Doyle and Mr. Gunn reported on home construction in the District.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. He stated 71.85% of the District's 2014 taxes had been collected as of December 31, 2014. Following review and discussion, Director Palmer made a motion to approve the tax assessor/collector's report and payment of the tax bills. Director Rozell seconded the motion, which carried unanimously.

Mr. Gunn left the meeting.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached.

Mr. Ross reviewed and recommended approval of two pay estimates as detailed in the engineer's report.

Mr. Ross stated there were no updates for bond application no. 7.

Ms. Brook stated there were no updates regarding the MS4 Permit.

Following review and discussion, Director Rozell moved to approve the engineer's report and take the following action, based upon the engineer's recommendation: (1) approve Pay Estimate No. 2 for \$577,909.28 to 5758 Construction, L.P. for the construction of water, sewer, and drainage facilities to serve Southlake Section 6 and Section 7; and (2) approve Pay Estimate No. 6 and Final for \$80,942.67 to Clearwater Utilities, Inc. for construction of water, sewer, and drainage facilities to serve Shadow Oaks Section 1. Director Axtell seconded the motion, which carried unanimously.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Director Ruiz entered the meeting.

Ms. Brook reported on ABHR's communications with the City on the District's behalf to request the City provide water to irrigate the temporary ball fields. Ms. Brook

stated City Parks Director Michelle Graham indicated comments regarding this request will be included in the City's review of the site plan. Director Prade said she and Director Parks will attend the City Council meeting scheduled for January 12, 2014 and invited interested Directors to attend to represent the District. Director Ruiz stated she will attend.

Mr. DeForest updated the Board on the City's review of the site plan for the temporary ball fields. He stated Michelle Graham indicated approval of the site plan will be confirmed by the end of today. Mr. DeForest reviewed an Estimated Annual Water Usage at Temporary Ball Fields, a copy of which is attached, estimating the average cost per year to irrigate the temporary ball fields would be approximately \$4,971.33. Mr. DeForest requested authorization to advertise bidding for the construction of the temporary ball fields with the installation of the irrigation system as an alternative bid item.

In response to a question from Director Ruiz, Mr. Norton discussed SCRMA's availability to mow and schedule reservations for use of the temporary ball fields.

Following review and discussion and based upon a motion by Director Pope and a second by Director Rozell, the Board unanimously voted to authorize Mr. DeForest to advertise for public bids for the construction of the temporary ball fields on the 4-acre tract with an alternative bid item for the installation of the irrigation system.

SECURITY SERVICES REPORT

Officer Lucas reviewed the written security report for Shadow Creek Ranch, submitted in advance of today's meeting. A copy of the security report is attached. Ms. Brook reported Sergeant Dave Pratt submitted his resignation from the District and from BC 26 as patrol officer and coordinating officer. Ms. Brook requested the Board consider entering into a Security Patrol and Coordination Services Agreement to designate Officer Lucas as the new coordinating officer. Ms. Brook noted Officer Lucas's pay has increased from \$30 per hour as stated in the previous agreement from 2011 to \$40 per hour. Following discussion, Director Axtell moved to accept the resignation of Sergeant Pratt from the District as patrol officer and coordinating officer; and (2) approve entering into a Security Patrol and Coordination Services Agreement with BC 26 to designate Officer Lucas as the coordinating officer at a pay rate of \$40 per hour. The motion was seconded by Director Palmer and carried by unanimous vote. Discussion ensued regarding attendance of the coordinating officer at the District's Board meetings and filling the vacant patrol shift left by Officer Pratt. Following discussion, the Board concurred that (1) Officer Lucas or an acceptable replacement will attend the District's regular Board meetings on odd numbered months; and (2) Officer Pratt's shift will change from day to night if coverage is not available during the day.

FINANCIAL AND BOOKKEEPING MATTERS INCLUDING ACCEPT ANNUAL DISCLOSURE STATEMENT FOR INVESTMENT OFFICER AND BOOKKEEPER

Ms. Garcia 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.

Pursuant to the District's Investment Policy, Ms. Garcia presented the annual disclosure statement from Mary Jarmon and herself as the District's respective Investment Officer and bookkeeper. Ms. Brook explained the Investment Officer and bookkeeper are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District.

After review and discussion, Director Palmer moved to: (1) approve the bookkeeper's report and payment of the bills; (2) accept the disclosure statements of the District's Investment Officer and bookkeeper; and (3) direct that the disclosure statements be filed as appropriate and retained in the District's official records. Director Pope seconded the motion, which passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board considered information to be included in the District's monthly notice published in the Shadow Creek Community Newsletter, *The Connection*, and on the District's page of the website. After discussion, the Board concurred to direct ABHR to submit the District's standard notice, including notification of the grand opening of Pearland Westside Library to the newsletters and to the District's website. The Board then reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.

The Board considered preparation of a District Information Kit to provide a summary of facts about the District which would be available on the District's website and upon request to residents or any interested parties. After discussion and based upon a motion by Director Rozell and a second by Director Pope, the Board voted unanimously to authorize ABHR to prepare a draft of the District's Information Kit for review at next month's meeting.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

No reports were given.

COMMENTS FROM THE PUBLIC

No members of the public came forward to address the Board.

ATTORNEY'S REPORT

Ms. Brook reported on the District's compliance with the post-issuance compliance policy. She stated that no corrective action is required at this time.

Ms. Brook stated the District's insurance policy provided by HARCO Insurance Services ("HARCO") will expire March 17, 2015. After discussion, the Board directed ABHR to request HARCO to provide a proposal to renew the District's insurance policy for consideration at next month's meeting.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred to hold the next regular Board meeting on February 6, 2015, at noon, at ABHR and to start all regular Board meetings at noon going forward.

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 standard notice, including notification of the grand opening of Pearland Westside Library to the District’s website and community newsletters.
2. Mr. DeForest will advertise for public bids to construct the temporary ball fields with installation of the irrigation system as an alternative bid item.
3. Mr. DeForest will follow up with Michelle Graham if there is no communication by the end of today from the City regarding approval of the site plan for the temporary ball fields.
4. Director Ruiz will attend the City Council meeting January 12, 2015 to request the City pay for water to irrigate the temporary ball fields.
5. The Board will resume its regular meeting schedule, which is the first Friday of each month at noon.

LIST OF ATTACHMENTS TO MINUTES

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