

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

July 10, 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 10th day of July, 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 except Director Palmer, thus constituting a quorum.

Also present at the meeting were Brazoria County Municipal Utility District No. 26 ("BC 26") Directors Michael Parks, Herb Fain, Caralynn Prade, Melissa Slade, and Fred Weary; Bob DeForest of KGA/DeForest Design, L.L.C.; David Patterson of Assessments of the Southwest, Inc.; Taylor Gunn of Perry Homes, LLC; Michael Doyle of Development Consultants, Inc.; Christina Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); Officer Natisha Lucas of City of Pearland (the "City") Police Department; and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 5, 2015, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the June 5, 2015, regular meeting as submitted. Director Ruiz seconded the motion, which passed unanimously.

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

Mr. Gunn and Mr. Doyle reported on home construction and home sales 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 99.05% of the District's 2014 taxes had been collected as of June 30, 2015. Following review and discussion, Director Ruiz moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the bills. Director Pope seconded the motion, which carried by unanimous vote.

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

The Board considered nominating a water district candidate for the Fort Bend Central Appraisal District's Board of Directors election. After discussion, the Board concurred to take no action on this matter.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference. Ms. Garcia noted the Directors' expenses submitted were in accordance with the District's travel reimbursement guidelines. Director Rozell noted he has not submitted his expenses. After review and discussion, Director Rozell moved to: (1) approve reimbursement of eligible expenses for the summer conference, which were submitted in accordance with the District's travel reimbursement guidelines; and (2) authorize all interested directors to attend the AWBD winter conference in Galveston. Director Axtell seconded the motion, which carried by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

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. After review and discussion, Director Pope moved to approve the bookkeeper's report and payment of the bills. Director Ruiz seconded the motion, which passed unanimously.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

Director Rozell reported on the June 8, 2015, meeting of City Council in which the Interlocal Agreement Related to Construction of Additional Public Park Improvements (the "Agreement") was approved. He said the Agreement passed with four votes in favor and one vote against the Agreement, cast by former BC 26 Director and current Shadow Creek Ranch ("SCR") resident Scott Sherman. Director Rozell said

that City Council indicated, based on the schedule provided by the contractor (the "Contractor") whose bid was accepted by the City for construction of the park improvements, only the first two items listed in the Agreement would be constructed before the \$1.37 million allocated to the project is depleted. The Boards reviewed tabulations of the current City Contractor and other contractors who submitted bids on the contract for line items of facilities listed in the Agreement. The bids received indicate the first six items listed in the Agreement could be constructed before the allocated funds are depleted. Discussion ensued. Ms. Brook reported that she attempted but was unable to confirm that the City will retain the same Contractor for the listed items or whether the items will be re-bid.

Director Rozell acknowledged ABHR's twelfth year anniversary and commended ABHR for its service to the District and for the report on the 84th Texas Legislative Session.

COMMENTS FROM THE PUBLIC

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

ATTORNEY'S REPORT

Ms. Brook distributed and reviewed a list of possible Fort Bend County (the "County") vote center locations, a copy of which is attached. Ms. Brook said, as discussed at last month's meeting, the County requested feedback indicating preferred vote center locations. After discussion, the Board concurred to take no action on this matter.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred to schedule the next regular Board meeting for August 7, 2015, at noon, at ABHR.

ENGINEERING MATTERS

Messrs Patterson, Gunn, and Doyle left the meeting. BC 26 Directors Slade, Prade, and Fain entered the meeting.

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

Mr. Ross reported on the receipt of four bids for the construction of water, sewer, and drainage facilities to serve Southlake Section 8. Mr. Ross recommended award of the contract go to the low bidder, Hurtado Construction, Co. ("Hurtado"), for a total bid amount of \$753,351.65. The Board determined that, in its judgment, Hurtado is a responsible bidder who would be most advantageous to the District and would result

in the best and most economical completion of the project. The Board considered approving a letter finance agreement with 518SCR, Ltd. related to financing of the project.

Mr. Ross reviewed and recommended approval of one pay estimate as reflected in the engineer's report.

There were no updates on storm water permitting matters.

The Board considered reapproving the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds which was presented and approved at the October Board of Directors meeting for submittal with bond application no. 7.

Following review and discussion, Director Axtell moved to (1) approve the engineer's report; (2) reapprove the Resolution and direct that it be filed appropriately and retained in the District's records; (3) award the contract for construction of the water, sewer, and drainage facilities to serve Southlake Section 8 to Hurtado in the amount of \$753,351.65, based on the engineer's recommendation, and approve a letter finance agreement with 518SCR, Ltd.; and (4) approve Pay Estimate No. 6 and Final to 5758 Construction, L.P., in the amount of \$77,460.71 for construction of the water, sewer, and drainage facilities to serve Southlake Section 6 and 7, based on the engineer's recommendation. Director Ruiz seconded the motion, which passed unanimously.

Ms. Brook updated the Board and the Board of BC 26 (the "Boards") on the District's bond application no. 7 and BC 26's bond application no. 8, which are pending submittal to the Texas Commission on Environmental Quality ("TCEQ").

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Director Slade reported on a meeting with Michael Murr of Park Rangers at the Association of Water Board Directors summer conference regarding management of the Fields. After discussion, the Boards concurred to take no action at this time.

BC 26 Director Weary, Officer Lucas, and Mr. Doyle entered the meeting.

Mr. Ross distributed and reviewed a proposal for LJA to monitor and report on the City's construction of the park improvements listed in the Agreement. Following review and discussion, the Boards requested Mr. Ross revise the proposal to reflect that the District and BC 26 (the "Districts") will be charged an hourly rate for the work proposed.

BC 26 Director Parks entered the meeting.

Mr. DeForest distributed and reviewed the landscape architect's report, a copy of which is attached. He provided an update on construction of the temporary ball fields (the "Fields") as reflected in the landscape architect's report. Mr. DeForest reviewed and recommended Pay Estimate No. 2 to Four Seasons Development in the amount of \$96,208.99 to be cost-shared equally between the Districts. A copy of Pay Estimate No. 2 is attached to the landscape architect's report.

Mr. DeForest reviewed an updated sign graphic for the Fields as reflected in an attachment to the landscape architect's report.

Mr. DeForest reviewed additional proposals for maintenance of the Fields from Earthfirst Commercial Landscaping Service and Westco Grounds Maintenance Co., Inc., copies of which are attached to the landscape architect report. Director Slade said she knows of a company that would like to present a proposal for the work. Following review and discussion, the Boards deferred action on awarding the contract for maintenance of the Fields until next month.

Following review and discussion, BFB1 Director Ruiz moved to accept the landscape architect's report and, based on the recommendation of the landscape architect, approve Pay Estimate No. 2, as presented, for construction of the temporary ball fields to be cost-shared equally with BC 26, with BFB1's share being \$48,104.50. Director Pope seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

Officer Lucas reviewed the written security report for SCR, submitted in advance of today's meeting. A copy of the security report is attached. Following review and discussion, the Boards concurred to accept the Security report.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Boards considered information to be included in the Districts' monthly notice published in the Shadow Creek Community Newsletter, *The Connection*, and on the website shared by the Districts. Ms. Brownlee distributed to the Boards a print out of recent updates, which were provided in advance of the meeting. Following review and discussion, the Boards directed ABHR to post the standard notice to the newsletter, and to update the Districts' website. The Boards then reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.

Ms. Humphries reported that Conner Hyde, a reporter with the *Community Impact Newspaper*, contacted her to request an interview with a Director from each of the Districts to prepare an article to be published in his newspaper on special districts that do more than provide water, sewer, and drainage facilities. Following discussion, the Boards directed BC 26 Director Parks and BFB1 Director Rozell to call Mr. Conner to answer questions and explain (1) funds used to pay for construction of the Fields and

the public water, sewer, and drainage to serve the Shadow Creek Ranch Sports Complex are not from maintenance tax revenue but from water revenue paid to the District from the City; (2) funds used to pay for extra security patrol are from maintenance tax revenue; and (3) BC 26, which is more established than BFB1, pays off bonds early whenever possible to allow BC 26 to be dissolved early by the City of Pearland.

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

(SEAL)



Serry King
Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the standard notice to the community newsletters and update the District’s website.
2. Director Slade will forward contact information to Mr. DeForest for the vender interested in bidding on maintenance of the Fields.
3. BC Director Parks and BFB1 Director Rozell will meet or call Connor Hyde to provide information about the Districts for an article to be published in *Community Impact Newspaper*.
4. Ms. Brownlee will send the updated Agreement to the City, which reflects an eighteen month timeline for the City to construct the park improvements listed in the Agreement.
5. Mr. Ross will present at the next meeting a revised proposal from LJA to monitor and report on construction of the park improvements reflecting a fee based on an hourly rate.

LIST OF ATTACHMENTS TO MINUTES

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