

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

October 2, 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 2nd day of October, 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 Ruiz, thus constituting a quorum.

Also present at the meeting were Officer Natisha Lucas of City of Pearland Police Department (the "City"); Bob DeForest of KGA/DeForest Design, L.L.C.; David Patterson of Assessments of the Southwest, Inc.; Taylor Gunn of Perry Homes, LLC; Lars Monson of KB Home; Christina Garcia of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, Tracie Brownlee, and Valori Lyles of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the September 4, 2015, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Axtell moved to approve the minutes of the September 4, 2015, regular meeting as submitted. Director Palmer seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

Officer Lucas reviewed the written security report for Shadow Creek Ranch ("SCR"), submitted in advance of today's meeting. A copy of the security report is attached. The Board reviewed video footage from the District's security cameras. In response to questions from the Board, Officer Lucas said there has been a reduction in burglaries since installation of the security cameras and that she will include incident dates on the security reports. In response to a request from the Board, Ms. Brownlee said she will send this year's security reports to Director Rozell to chart crime trends.

Officer Lucas proposed adding an additional forty hour weekly shift for patrol of the District and Brazoria County Municipal Utility District No. 26 ("BC 26") from November 23, 2015, to January 11, 2016, as discussed at last month's meeting. She said the total cost to the District and BC 26 is \$8,400. Following discussion, Director Palmer moved to approve the additional cost of \$8,400 for security patrol of the District and BC 26 from November 23, 2015 to January 11, 2016, of which the District's share is \$4,200. Director Pope seconded the motion, which passed by unanimous vote.

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

Mr. Gunn and Mr. Monson 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 unpaid accounts tax roll, a copy of which is attached. He stated 99.76% of the District's 2014 taxes had been collected as of September 30, 2015. Following review and discussion, Director Pope moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the bills. Director Axtell seconded the motion, which carried by unanimous vote.

Mr. Gunn left the meeting.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. He then provided updates on various construction projects in the District.

Mr. Ross presented and reviewed three pay estimates as reflected in his report.

Mr. Ross provided an update on the City's expansion of the sewage treatment plant serving SCR ("STP") as reflected in his report.

Ms. Humphries reported on an email from the District's bond engineer, Ken Heroy, reporting he requested the Texas Commission on Environmental Quality approve bond application no. 7 contingent upon the District not authorizing the advertisement of bids for sale of the bonds until the City's STP expansion is complete.

Mr. Ross reported on the City's construction of the SCR Sports Park as reflected in his report.

There were no updates on storm water permitting matters.

Following review and discussion, Director Palmer moved to approve the engineer's report, and based on the recommendation of the engineer, approve (1) Pay Estimate No. 3 and Final to Hurtado Construction Company in the amount of \$115,912.43 for construction of the water, sewer, and drainage to serve Shadow Creek Ranch SF-58; (2) Pay Estimate No. 3 and Final to Crostex Construction, Inc. in the amount of \$174,556.67 for construction of the water, sewer, and drainage to serve Shadow Creek Ranch SF-57; and (3) Pay Estimate Nos. 3 and 4 and Final to T.F.R. Enterprises, Inc. in the respective amounts of \$153,720.00 and \$33,530.00 for clearing and grubbing to serve Shadow Grove Phase 2. Director Axtell seconded the motion, which passed unanimously.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Mr. DeForest distributed and reviewed the landscape architect's report, a copy of which is attached, and provided an update on construction of the temporary ball fields (the "Fields") as reflected in his report. Mr. DeForest distributed photos of the Fields taken earlier in the week and responded to questions and comments from the Board. Discussion ensued, including installation of the sign upon completion of the Fields.

Ms. Brook reviewed a Cost-Sharing Agreement with BC 26 for sharing the cost of maintaining the Fields on a 50/50 basis through the term of the lease agreement that BC 26 holds with the City, until December 31, 2018.

Following review and discussion, Director Axtell moved to (1) approve the Cost-Sharing Agreement with BC 26 to equally share the costs of maintaining the Fields, for an annual cost not to exceed \$20,940, of which the District's share would be \$10,470; and (2) delay installation of the sign until the District and BC 26, in consultation with Mr. DeForest, confirm the Fields are ready for use. The motion was seconded by Director Pope and carried unanimously.

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

ARBITRAGE MATTERS

Ms. Brook reviewed a proposal from Omnicap to perform a final arbitrage rebate and yield restriction calculation for the District's Series 2006, 2007, and 2008 Bonds. Following review and discussion, Director Rozell moved to approve the proposal from

Omnicap. The motion was seconded by Director Palmer and carried by unanimous vote.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS FOR THE DISTRICT

Ms. Humphries reviewed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission, a copy of which is attached. Ms. Humphries stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. Following review and discussion, Director Pope moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which passed by unanimous vote.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed and commented on a draft of the notice for submission to the Shadow Creek Community Newsletter and *The Connection* and considered updates for the District's website. The Board reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.

Ms. Humphries reviewed a chart of in City municipal utility districts ("MUDs") and an informational document titled "The Impact of MUDs in the City of Pearland" for distribution to the City and its residents. Discussion ensued.

Following review and discussion, Director Axtell moved to (1) post the notice to the newsletter with noted revisions; (2) update the Districts' website as discussed; (3) post the chart and informational document with noted revisions. The motion was seconded by Director Axtell and carried by unanimous vote.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

No reports were presented.

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

ATTORNEY'S REPORT

No further reports were presented.

ACTION LIST

1. ABHR will submit the approved notice to the community newsletters and update the District's website accordingly.
2. ABHR will submit the chart and informational document approved at today's meeting for publication in the community newsletters and posting on the District's website;
3. ABHR will ask Shadow Creek Ranch Maintenance Association to present information about the District at its annual meeting of SCR homeowner associations.
4. Officer Lucas will add incident dates to the Security Report.
5. Ms. Brownlee will send this year's Security Reports to Director Rozell.
6. Director Rozell will track and chart crime trends for this year.

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