

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

November 6, 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 6th day of November, 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 Directors Rozell and Palmer, thus constituting a quorum.

Also present at the meeting were Heather Zayas, a resident of the District; Tayo Ilori of McGrath & Co., PLLC ("McGrath"); Charlie Norton of Shadow Creek Ranch Maintenance Association ("SCRMA"); Bob DeForest of KGA/DeForest Design, L.L.C.; David Patterson of Assessments of the Southwest, Inc.; Michael Doyle of Development Consultants, 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 October 2, 2015, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Axtell moved to approve the minutes of the October 2, 2015, regular meeting as submitted. Director Ruiz seconded the motion, which passed unanimously.

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

Mr. Doyle reported on home construction in the District.

Mr. Ross presented a map of a tract of land in the District proposed for development of a multi-family project by DD SCR V, an affiliate of Davis Development. He said DD SCR V requested reimbursement from the District for construction of a public storm sewer to serve the multi-family project.

Ms. Brook presented an Agreement for Financing of Facilities between the District and DD SCR V for construction of the public storm sewer to serve the multi-family project. She also presented a Waiver of Special Appraisal for the tract. Following review and discussion, Director Ruiz moved to approve the Agreement for Financing of Facilities and Waiver of Special Appraisal between the District and DD SCR V and direct that the Agreement and Waiver be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which carried unanimously.

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 1.80% of the District's 2015 taxes were collected as of October 31, 2015. Following review and discussion, Director Axtell moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the bills. Director Ruiz seconded the motion, which carried by unanimous vote.

RESOLUTION VOTING FOR DIRECTOR FOR BOARD OF DIRECTOR ELECTION FOR FORT BEND CENTRAL APPRAISAL DISTRICT ("FBCAD")

Ms. Brook presented a District ballot from the FBCAD for the Board to consider casting the District's allocated votes in the FBCAD election. After review and discussion, Director Axtell moved to adopt a Resolution Voting for Director in the Board of Directors Election for Fort Bend Central Appraisal District to cast the District's eight votes for Sam R. Mayson, Sr., and direct that the Resolution be filed appropriately and retained in the District's official records. Director Ruiz seconded the motion, which carried unanimously.

ARBITRAGE MATTERS

Ms. Brook stated that OmniCap Group LLC has completed the Final Excess Earnings Report on the Series 2008 Bonds (the "Report"). She stated that the Report reflects that no yield reduction payment is due to the Internal Revenue Service. Following review and discussion, Director Ruiz moved to accept the Report and direct that the Report be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which passed unanimously.

Ms. Zayas entered the meeting.

ENGINEERING MATTERS

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

Mr. Ross requested the Board authorize design of the water, sewer, and drainage to serve Southlake Section 11 and Section 12.

Mr. Ross reported that Jones & Carter, Inc. ("J&C") received 11 bids for construction of the water, sewer, and drainage to serve Shadow Grove Section 2 and 3. He reported that J&C recommended award of the contract to the low bidder, Rodriguez Construction Group, L.L.C. ("Rodriguez Construction") for a total bid amount of \$1,065,140. The Board determined that, in its judgment, Rodriguez Construction 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 financing agreement with KB Home, related to the financing of the project.

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

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

Mr. Ross reported that the Texas Commission on Environmental Quality approved bond application no. 7. Ms. Brook discussed a proposed timeline for the sale and closing of the bonds and requested the Board authorize the District's financial advisor to prepare the preliminary official statement. Mr. Ilori stated the District has an evergreen engagement with McGrath and requested the Board authorize preparation of a developer reimbursement report for disbursement of proceeds from bond application no. 7.

There were no updates on storm water permitting matters.

Following review and discussion, Director Axtell moved to approve the engineer's report and (1) authorize design of the water, sewer, and drainage to serve Southlake Section 11 and Southlake Section 12; (2) award construction of the water, sewer, and drainage to serve Shadow Grove Section 2 and 3 to Rodriguez Construction for a total bid amount of \$1,065,140, based upon the recommendation of J&C, subject to attorney review of the payment, performance, and maintenance bonds and insurance, and approve a related letter financing agreement with KB Home; (3) authorize the District's financial advisor to prepare the preliminary official statement; and (4) authorize McGrath to prepare the developer reimbursement report. Director Ruiz 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"). Ms. Brook reported that at the meeting of Brazoria County Municipal Utility District No. 26, Director Parks reported unauthorized usage of the Fields and expressed concern that such activity before construction is complete could cause damage to the Fields. Ms. Brook added that Director Parks asked if a temporary sign could be installed directing the public not to use the Fields until notice is given that the Fields are ready for play. Discussion ensued. The Board determined to discuss installation of the permanent signage at the December Board meeting and not to install any signage prior to the December Board meetings of the Boards. After review and discussion, the Board concurred to accept the landscape architect's report.

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

REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Garcia stated she submitted an updated list of qualified banks with which the District may invest funds that includes East West Bank, which is now accepting public funds. 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, which includes the updated list as an exhibit. Following review and discussion, Director Axtell moved to adopt 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 Resolution be filed appropriately and retained in the District's official records. Director Ruiz seconded the motion, which passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed 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. Following review and discussion, the Board

directed ABHR to post the notice to the newsletters as submitted and update the District's website as discussed.

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

The Board reviewed a draft of information to be presented at the annual meeting of the Reflection Bay Homeowners Association on November 17, 2015, by SCRMA on behalf of the Board. Following review and discussion, Director Axtell moved to approve the draft as submitted. The motion was seconded by Director Ruiz and carried by unanimous vote.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is on December 4, 2015.

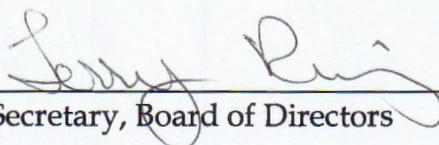
SECURITY SERVICES REPORT

The Board reviewed the written security report for SCR submitted in advance of today's meeting. A copy of the security report is attached. It was noted that the report did not have incident dates as requested at the last meeting. Ms. Brownlee reported Officer Lucas said she will include the dates on next month's report.

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 approved notice to the community newsletters and update the District's website as discussed.
2. ABHR will submit the presentation notes approved at today's meeting to SCRMA to present at the November 17, 2015, meeting of Reflection Bay homeowners association.
3. Officer Lucas will add incident dates to the Security Report.

LIST OF ATTACHMENTS TO MINUTES

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