

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

December 4, 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 4th day of December, 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 Pope, thus constituting a quorum.

Also present at the meeting were Julio Lybrand and Kevin Dalrymple, members of the public; Herb Fain of Brazoria County Municipal Utility District No. 26 ("BC 26"); Julie Williams of Rathmann & Associates, L.P.; 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.; Taylor Gunn of Perry Homes; Thomas Sikora of KB Home; Michael Doyle of Development Consultants, Inc.; Officer Natisha Lucas of City of Pearland ("City") Police Department; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); 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 November 6, 2015, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Ruiz moved to approve the minutes of the November 6, 2015, regular meeting as submitted. Director Axtell seconded the motion, which passed unanimously.

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

Messrs. Doyle, Gunn, and Sikora reported on home construction in the District.

Messrs. Lybrand and Dalrymple introduced themselves to the Board and requested annexation of approximately 13 acres of property adjacent to the land most recently annexed into the District. Mr. Lybrand stated the land includes a reserve for a

detention pond and plans for two commercial developments. Discussion ensued, after which the Board requested an estimate of the taxable value of the proposed development on the property upon development and a \$20,000 deposit for costs associated with annexation be provided at the next meeting. Messrs. Lybrand and Dalrymple left the meeting.

Ms. Brook reported DD SCR VI requested a revision to the Agreement for Financing of Facilities between the District and DD SCR VI for construction of the public storm sewer to serve the multi-family project known as MF-6 approved at last month's meeting. Discussion ensued, after which Director Rozell moved to retain the original terms as approved per the Agreement. 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 and the delinquent tax report, a copy of which is attached. He stated 5.93% of the District's 2015 taxes were collected as of November 30, 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.

#### ARBITRAGE MATTERS

Ms. Brook stated that OmniCap Group LLC has completed the Final Excess Earnings Reports on the Series 2006 and 2007 Bonds (the "Reports"). She stated that the Reports reflect that no yield reduction payment is due to the Internal Revenue Service. Following review and discussion, Director Rozell moved to accept the Report and direct that the Report be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which passed unanimously.

#### ENGINEERING MATTERS

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

Mr. Ross reported the City's expansion of the sewage treatment plant serving Shadow Creek Ranch ("SCR") is on schedule and expected to be complete in December. In response to a question from the Board, Mr. Ross said he will check for an update on the permanent plant to report at the next meeting.

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

Mr. Ross said he will defer requesting authorization to design the public storm sewer to serve MF-6 pending DD SCR VI's execution of the Agreement for Financing of Facilities.

Mr. Ross requested approval of two pay estimates, as reflected in his report.

There were no updates on storm water permitting matters.

Following review and discussion, Director Ruiz moved to approve the engineer's report and, based on the recommendation of the engineer, approve Pay Estimate No. 1 to AGR Construction, LLC in the amount of \$102,536.10 for the construction of the water, sewer, and drainage facilities to serve SF-52 and Pay Estimate No. 1 to Hurtado Construction Company in the amount of \$580,049.73 for construction of the water, sewer, and drainage facilities to serve Southlake Section 8. Director Palmer seconded the motion, which passed unanimously.

Mr. Gunn left the meeting. Officer Lucas entered the meeting.

#### RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Mr. DeForest reported on turf development and items addressed at last month's punch list inspection for the temporary ball fields (the "Fields"). He reported Director Pope's concern for the lack of drainage in certain low spots in the Fields and said addressing the punch list items would address this problem.

Mr. DeForest reported the sign for the Fields can be scheduled for installation next week. Ms. Brook reported that the Board of BC 26 approved installation of the sign at the Fields at their meeting earlier this week. After discussion, Director Palmer moved to authorize installation of the sign at the Fields. The motion was seconded by Director Axtell and passed 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. The Board discussed authorizing MCI to continue updating the investment report graphic that was added last month. After review and discussion, Director Ruiz moved to approve the bookkeeper's report and payment of the bills and to authorize MCI to include and update the investment report graphic in the monthly report. Director Palmer seconded the motion, which passed unanimously.

Ms. Williams entered the meeting.

SERIES 2016 UNLIMITED TAX BONDS, INCLUDING APPOINT PAYING AGENT/REGISTRAR, APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE, AUTHORIZE ADVERTISEMENT FOR SALE OF THE SERIES 2016 BONDS AND SCHEDULE BOND SALE

The Board discussed appointing The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the Series 2016 Unlimited Tax Bonds ("Series 2016 Bonds"). Ms. Williams reviewed the Preliminary Official Statement and Official Notice of Sale for the Series 2016 Bonds with the Board. After review and discussion, Director Rozell moved to (1) appoint The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the Series 2016 Bonds; (2) approve the Preliminary Official Statement and Official Notice of Sale subject to Board and consultant review; (3) authorize advertisement for sale of the Series 2016 Bonds; (4) schedule the bond sale for January 11, 2016; and (5) authorize ABHR to submit the TCEQ Order Approving Issuance of the Series 2016 Bonds to the City of Pearland in accordance with City Consent requirements. Director Axtell seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

Officer Lucas reviewed the written security report for SCR, a copy of which is attached, and responded to questions from the Board.

Officer Lucas requested the addition of another officer to staff security patrol in the District and BC 26. Ms. Brook reviewed an Amended and Restated Security Patrol Services Agreement (the "Patrol Agreement") between the District, BC 26, and Sergeant Orinaldo Ybarra. Following review and discussion, Director Axtell moved to approve the Patrol Agreement and direct that it be filed appropriately and retained in the District's official records. The motion was seconded by Director Palmer and passed unanimously. Officer Lucas left the meeting.

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.

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 additional reports were presented.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is January 11, 2016, at 2:00 p.m.

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.
2. Mr. Ross will check for updates on the City's expansion of the sewage treatment plant serving SCR to report at next month's meeting.

LIST OF ATTACHMENTS TO MINUTES

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