

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

March 4, 2016

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 March, 2016, 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 Justin Klump of Storm Water Solutions, LP; David Patterson of Assessments of the Southwest, Inc.; Taylor Gunn of Perry Homes; Michael Doyle of Development Consultants, Inc.; Thomas Sikora of KB Home; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); James Ross of LJA Engineering, Inc. ("LJA"); Officer Natisha Lucas of the City of Pearland (the "City") Police Department; and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 5, 2016, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Axtell moved to approve the minutes of the February 5, 2016, regular meeting as submitted. Director Palmer seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

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

Messrs. Doyle, Sikora, and 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 unpaid accounts tax roll, a copy of which is attached. He stated 97.51% of the District's 2015 taxes were collected as of February 29, 2016.

Mr. Patterson reviewed a letter from the title company of the resident at 13391 Shadow Ridge Lane requesting that the penalty and interest charge be waived on the resident's delinquent tax bill. A copy of the letter with enclosures is attached to the tax assessor/collector's report.

Mr. Patterson reviewed a letter from the resident at 2201 Lost Bridge Lane requesting that the penalty and interest charge be waived on the resident's delinquent tax bill. A copy of the letter with enclosures is attached to the tax assessor/collector's report.

Following review and discussion, Director Rozell moved to approve (1) the tax assessor/collector's report, the delinquent tax report, and payment of the bills; (2) waiver of the penalty and interest charge on the delinquent tax bill for the resident at 13391 Shadow Ridge Lane; and (3) waiver of the penalty and interest charge on the delinquent tax bill for the resident at 2201 Lost Bridge Lane. Director Palmer seconded the motion, which carried by unanimous vote.

## SECURITY SERVICES REPORT

Officer Lucas reviewed the written security report for Shadow Creek Ranch ("SCR") and responded to questions from the Board. A copy of the security report is attached. Following review and discussion, the Board concurred to accept the security report.

## ENGINEERING MATTERS

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

Mr. Ross reported on the schedule for completion of Phase 2 of the City's expansion of the sewage treatment plant serving SCR.

Mr. Ross said he had nothing new to report on the City's construction of the SCR Sports Park since last month's meeting. Ms. Brook reported that the City estimated a projected substantial completion date for the SCR Sports Park of June 15, 2016, depending on turf establishment.

Mr. Ross reported on the receipt of fourteen bids for the construction of water, sewer, and drainage facilities to serve Southlake Section 11. Mr. Ross recommended award of the contract to the low bidder, 5758 Construction, L.P., for a total bid amount of \$707,152.00. The Board determined that, in its judgment, 5758 Construction, L.P., 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 518SCR, Ltd. related to the financing of the project.

Mr. Ross requested approval of Pay Estimate No. 2 and Final to Hurtado Construction Company in the amount of \$117,101.97 for construction of the water, sewer, and drainage facilities to serve Southlake Section 8.

Mr. Ross reviewed the option of authorizing LJA to conduct an annual inspection of the District's facilities and send the resulting inspection report to the City as a recommendation for repairs. After discussion, the Board concurred to take no action at this time.

Mr. Klump discussed the City's inclusion of the District in its Storm Water Management Plan ("SWMP"). He requested the Board authorize execution and submittal of the Annual Report to the Texas Commission on Environmental Quality ("TCEQ").

Following review and discussion, Director Rozell moved to approve the engineer's report and authorize execution and submittal of the Annual Report to the TCEQ and, based on the recommendation of the engineer, (1) award the contract for construction of the water, sewer, and drainage facilities to serve Southlake Section 11 to 5758 Construction, L.P. in the amount of \$707,152.00 and approve a letter financing agreement with 518SCR, Ltd.; and (2) approve Pay Estimate No. 2 and Final as presented for construction of the water, sewer, and drainage facilities to serve Southlake Section 8. Director Pope seconded the motion, which passed unanimously.

#### RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

The Board reviewed a report from Earthcare Management for the mowing and maintenance of the temporary ball fields ("Fields"), a copy of which is attached. In response to the Board's request for a more detailed report, Ms. Brownlee said she will ask Earthcare Management to include the service dates and the services provided on the days of service on the invoice for payment. Ms. Brook reported that at the meeting of Brazoria County Municipal Utility District No. 26 ("BC 26"), BC 26 Director Fred Weary said he took photos of the low areas at the Fields and will send them to the District's landscape architect.

## 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.

## 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 submit the newsletter notice as presented.

## REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

No reports were presented.

## ATTORNEY'S REPORT

Ms. Brook reviewed a Resolution Concerning Exemptions from Taxation with the Board. She stated in 2015 the District granted a general homestead exemption of 20%, but not less than \$5,000, and rejected an additional homestead exemption for disabled persons or persons over 65 years of age and an exemption of travel trailers for the 2015 tax year.

Ms. Brook reviewed the District's Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. The Annual Report includes the Official Statement from the District's recent bond sale. She stated the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System in compliance with SEC Rule 15c12-12 and with the Municipal Advisory Council of Texas, the State Information Depository, by March 31, 2016.

The Board reviewed the District's procedures for continuing disclosure compliance and determined no changes are required at this time.

The Board considered approving the proposal presented last month from HARCO Insurance Services ("HARCO") to renew the District's insurance policies. Ms. Brook reported that HARCO's representative confirmed that liability coverage for the

temporary ball fields is included in the general liability proposed for renewal of the District's insurance policies for no additional charge.

The Board considered adopting a Resolution Changing Posting Place for Notice of Board of Directors Meetings. Ms. Brook said it is ABHR's recommendation that the District have one official posting place. After discussion, the Board concurred to table the matter until next month.

After discussion, Director Rozell moved to (1) adopt the Resolution Concerning Exemptions from Taxation reflecting that the Board rejects any exemption of travel trailers from ad valorem taxation, grants a general homestead exemption of 20%, but not less than \$5,000, and rejects an additional homestead exemption for disabled persons or persons over 65 years of age, all for the 2016 tax year, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) approve the Annual Report to be filed in compliance with the continuing disclosure provisions contained in the bond resolutions and direct that the Annual Report be filed appropriately and retained in the District's official records; and (3) approve the proposal from HARCO to renew the District's insurance policies. Director Pope seconded the motion, which passed unanimously.

#### 2016 DIRECTORS ELECTION

Ms. Brook discussed procedures related to the 2016 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors, to be executed by the Board Secretary, stating the District received three candidate applications for the three director positions for the May 7, 2016, Directors Election.

Ms. Brook presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating the May 7, 2016, Directors Election is cancelled and one candidate withdrawal request was received and the unopposed candidates, Geoffrey Pope, Terry Ruiz, and Heather Zayas, are declared elected to office to serve from the May 7, 2016, election date until the May 2, 2020, Directors Election date.

Ms. Brook reminded the Board it approved entering into a contract with Brazoria County (the "County") to administer the District's 2016 Directors Election, which may now be cancelled.

Following review and discussion, Director Rozell moved to (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors; (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office; and (3) cancel the contract with the County for election

services for the May 2016 Directors Election. Director Ruiz seconded the motion, which passed unanimously.

ANNEXATION MATTERS

There was no discussion on this matter.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is April 1, 2016, at 12:00 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 update the monthly newsletter notice as presented and submit it to the community newsletters.
2. ABHR will submit updates to the District's website as needed.
3. Ms. Brownlee will request that Earthcare Management include service dates and the services provided on the days of service on the monthly payment invoice.

LIST OF ATTACHMENTS TO MINUTES

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