

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

February 3, 2017

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 3rd day of February, 2017, 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
Heather Zayas	Secretary
Karri Axtell	Assistant Vice President
Terry Ruiz	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Paul Wisdom of Shadow Creek Ranch Maintenance Association ("SCRMA"); Tayo Ilori of McGrath & Co., PLLC ("McGrath"); Thomas Sikora of KB Home; David Patterson of Assessments of the Southwest, Inc. ("ASW"); Erin Garcia of Myrtle Cruz, Inc. ("MCI"); James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the January 6, 2017, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the January 6, 2017, regular meeting, as submitted. Director Axtell seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public came forth to comment.

SECURITY SERVICES REPORT

The Board reviewed the attached written security report for Shadow Creek Ranch ("SCR"), provided in advance of the meeting. Mr. Wisdom reported on the operations of the security cameras and a recent town hall meeting hosted by SCRMA regarding SCR security. Director Zayas requested Officer Lucas provide data reflecting recent SCR crime trends and statistics.

REPORT ON DEVELOPMENT

Mr. Ilori reviewed a developer reimbursement report from McGrath for the purpose of verifying the amount to reimburse Newmark Homes from the District's Series 2016 Unlimited Tax Bonds for impact fees paid on behalf of the District. Following review and discussion, Director Ruiz moved to approve the report and direct that it be filed appropriately and retained in the District's records and authorize disbursement of funds to Newmark Homes in the amount indicated by the report upon receipt of an executed receipt. Director Axtell seconded the motion, which passed 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 89.22% of the District's 2017 taxes were collected as of January 31, 2017. Following review and discussion, Director Ruiz moved to approve the tax assessor/collector's report and payment of the bills. Director Axtell seconded the motion, which carried by unanimous vote.

Ms. Humphries entered the meeting.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board reviewed a proposed Resolution Concerning Exemptions from Taxation for the 2017 tax year. Following review and discussion, Director Rozell moved to adopt the Resolution Concerning Exemptions from Taxation reflecting that the Board (i) grants a general homestead exemption of 20%, but not less than \$5,000; (ii) rejects an additional homestead exemption for disabled persons or persons over 65 years of age; and (iii) rejects any exemption of travel trailers from ad valorem taxation and direct that the Resolution be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. He reviewed a current District aerial map, a copy of which is attached to the engineer's report.

Mr. Ross reviewed and recommended approval of two pay estimates and one change order, as reflected in his report.

Mr. Ross reported the City of Pearland (the "City") confirmed it is responsible for repair of the Lake Paige sinkhole reported at last month's meeting.

Mr. Ross provided an update on the Texas Commission on Environmental Quality's ("TCEQ") review of bond application no. 8.

Mr. Ross reported the City provided an update regarding the wastewater treatment plant expansion and construction of the SCR Sports Park.

Following review and discussion, Director Rozell moved to approve the engineer's report and, based on the recommendation of the engineer, approve (1) Pay Estimate Nos. 3 and 4 and Final to 5758 Construction, L.P. in the respective amounts of \$85,431.46 and \$25,432.03 for the construction of Shadow Grove Lake 1 Expansion and Lake 3; and (2) Change Order No. 1 to 5758 Construction, L.P., which decreases the contract for the construction of Shadow Grove Lake 1 Expansion and Lake 3 by \$64,570.40 for removal of the pond back-slope swales. The motion was seconded by Director Axtell and 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, a copy of which is attached.

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. Ms. Garcia noted check no. 2726 in the amount of \$820.36 to Director Pope for reimbursement of eligible AWBD expenses is not included in the report.

The Board discussed the AWBD winter conference. The Board then considered approving reimbursement of eligible expenses for the winter conference and authorizing attendance to the AWBD summer conference.

After review and discussion, Director Rozell moved to (1) approve the bookkeeper's report and payment of the bills, including check no. 2726; (2) approve reimbursement of eligible expenses for the winter conference submitted in accordance with the District's travel guidelines; and (3) authorize all interested directors to attend the AWBD summer conference. 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, including language regarding Blue Ridge Landfill (the "Landfill") 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 concurred to authorize publication of the newsletter notice as submitted and post the language regarding the Landfill on the District's website.

REPORTS FROM DIRECTORS, DISTRICT CONSULTANTS, AND SCRMA

Mr. Wisdom distributed and reviewed a report from SCRMA, a copy of which is attached.

ATTORNEY'S REPORT

Ms. Brook reviewed updates regarding the Landfill. The Board reviewed a copy of a Notice of Enforcement issued to the Landfill by the TCEQ dated January 3, 2017. Discussion ensued. Ms. Brook stated the City will host a town hall meeting regarding the Landfill on February 8, 2017, from 6:30 p.m. to 8:00 p.m. at the Hilton Garden Inn, 12101 Shadow Creek Parkway.

Ms. Brook stated the draft 2017 District Information Kit is under review.

The Board reviewed a proposal from HARCO Insurance Services ("HARCO"), the District's current provider, for renewal of the District's insurance policies, which expire on March 17, 2017.

Following review and discussion, Director Zayas moved to approve the 2017 District Information Kit, subject to final review; and HARCO's proposal to renew the District's insurance policies. The motion was seconded by Director Ruiz and carried unanimously.

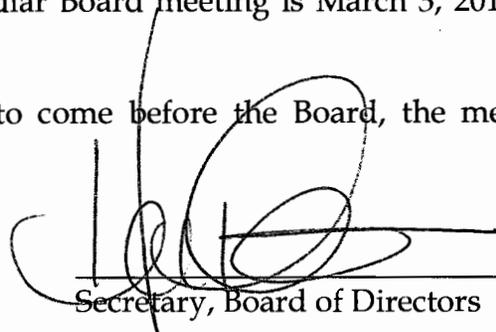
DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is March 3, 2017, 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 submit the approved notice to the community newsletters.
2. ABHR will submit updates to the District's website as directed.
3. ABHR will request that Officer Lucas provide data reflecting recent SCR crime trends and statistics at the next regularly scheduled Board meeting.

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