

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

November 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 November, 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 Mark McGrath of McGrath & Co., PLLC ("McGrath"); Rhonda Patterson of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc.; Christina Perry of Myrtle Cruz, Inc. ("MCI"); and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the October 3, 2017, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Axtell moved to approve the minutes of the October 3, 2017, regular meeting, as submitted. Director Pope 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, provided in advance of the meeting. The Board considered approval of an extra patrol shift for the holiday season from November 19, 2017, to January 14, 2017. Following review and discussion, Director Pope moved to approve an extra patrol shift, as discussed, contingent upon the approval of same by the Board of Brazoria County Municipal Utility District No. 26 ("No. 26"). Director Axtell seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

No report was presented on development in the District.

Mr. McGrath reviewed a developer reimbursement report from McGrath for the purpose of verifying the amount to reimburse Perry Homes from the District's Series 2016 Unlimited Tax Bonds for impact fees paid on behalf of the District. Following review and discussion, Director Axtell moved to approve the report, direct that it be filed appropriately and retained in the District's records, and authorize disbursement of funds to Perry Homes in the amount indicated by the report. Director Ruiz seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Patterson distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. She stated 0.14% of the District's 2017 taxes were collected as of October 31, 2017. Following review and discussion, Director Pope moved to approve the tax assessor/collector's report and payment of the bills. Director Axtell seconded the motion, which carried by unanimous vote.

ENGINEERING MATTERS

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

Mr. Ross updated the Board on the construction of the water, sewer, and drainage facilities to serve Southlake Section 12. He stated ten bids were received for the project and recommended the Board award the contract to R Construction Civil, LLC dba R Construction Company ("R Construction"), in the amount of \$731,065.05. The Board concurred that, in its judgment, R Construction was a responsible bidder who would be most advantageous to the District and will result in the best and most economical completion of the project.

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

Mr. Ross reported on his follow up of the Board's request at the last meeting to look into the matter of vegetative overgrowth of a ditch centrally located in the District but not part of the District's facilities. He stated the homeowner's association is responsible for maintaining this ditch. Mr. Ross stated LJA can survey cross sections of the ditch to assess if there is indication of diminished detention capacity due to vegetative overgrowth for an approximate cost of \$6,000. Discussion ensued.

Mr. Ross recommended the District's storm sewer system be video recorded, a process known as lamping, and reviewed by LJA to assess if maintenance is needed following Hurricane Harvey. He estimated the cost at \$1,600 per day for two to three days.

Following review and discussion, Director Axtell moved to approve the engineer's report and the following, based upon the recommendation of the engineer: (1) award the contract for construction of the water, sewer, and drainage facilities to serve Southlake Section 12 to R Construction in the amount of \$731,065.05, subject to approval of the payment and performance bonds and verification of insurance; (2) Pay Estimate No. 2 and Final in the amount of \$90,460.25 to Rodriguez Construction Group, LLC for the construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 6; (3) Pay Estimate No. 1 to Dimas Brothers Construction Co. in the amount of \$403,086.43 for the construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 7; and (4) authorization for LJA to obtain a proposal for District storm sewer lamping. Director Rozell seconded the motion, which passed unanimously.

Director Zayas entered the meeting. Mr. McGrath and Ms. Patterson left the meeting.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, including the investment report, budget comparison, and list of checks presented for approval, a copy of which is attached.

Discussion ensued regarding approval of an additional per diem to Director Pope to post a special meeting agenda in September. In response to a Board inquiry, Ms. Brownlee confirmed from the minutes of the May 6, 2016, meeting that a motion passed approving a per diem in the amount of \$50 per month to Director Pope to post any and all District notices/agendas as required. Director Ruiz stated Director Pope should receive a per diem for posting the special meeting agenda in September. After discussion, Director Rozell moved to reaffirm the stated motion from the May 6, 2017, meeting approving a per diem in the amount of \$50 per month to Director Pope to post each and every District notice/agenda as required. The motion was seconded by Director Axtell and passed with Director Zayas in support, Director Ruiz against, and Director Pope abstaining.

The Board conducted an annual review of the District's Investment Policy. Ms. Brook reviewed recent legislative action pertaining to water district investment policy requirements. She stated ABHR recommends amending the District's current Investment Policy to comply with such.

After review and discussion, Director Rozell moved to approve the bookkeeper's report and payment of the bills; and adopt a Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy to reflect compliance with the new water district investment policy requirements and direct that the Resolution be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which passed unanimously.

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 Pope 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 nine votes for Heather Zayas and direct that the Resolution be filed appropriately and retained in the District's official records. Director Rozell seconded the motion, which carried unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice distributed to the Board in advance of today's meeting. The Board considered website updates and reviewed an analytics report on the prior month's website activity, a copy of which is attached. Following review and discussion, the Board concurred to authorize publication of the newsletter notice.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

The Board discussed ownership of a parcel of land for sale in the District. Director Zayas stated she will inquire with the District engineer regarding the matter.

ATTORNEY'S REPORT

Ms. Brook noted the Board was forwarded email communication in advance of the meeting from No. 26 resident Ed Mears to the City of Pearland regarding Mr. Mears's review of Blue Ridge Landfill sampling reports submitted to the Texas Commission on Environmental Quality.

ANNEXATION MATTERS

There was no discussion on this matter.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL, INCLUDING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AIR QUALITY MONITORING

The Board did not convene in executive session.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is December 1, 2017, at 12:00 p.m.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



A handwritten signature in blue ink, consisting of a large loop and several smaller strokes.

Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the monthly notice to the community newsletters for publication.
2. ABHR will submit updates to the District's website as directed.
3. Mr. Ross will present a proposal at the next regularly scheduled Board meeting for District storm sewer lamping.
4. Director Zayas will inquire with the District engineer regarding the ownership of a parcel of land for sale in the District

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