

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

April 6, 2018

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 April, 2018, 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
Vacant	Assistant Secretary

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

Also present at the meeting were Julie Ward, District resident; Shannon Waugh of Off Cinco; Esther Kumaga of Assessments of the Southwest, Inc. ("ASW"); Taylor Baumgartner of LJA Engineering, Inc.; Erin Garcia of Myrtle Cruz, Inc. ("MCI"); and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

ACCEPT RESIGNATION OF DIRECTOR RUIZ AND APPOINT NEW DIRECTOR

Ms. Brook reported on the receipt of Director Terry Ruiz's resignation. The Board considered appointing a new director. Ms. Ward requested the Board consider appointing her as the new director. After discussion, and based on a motion made by Director Zayas and seconded by Director Axtell, the Board unanimously accepted Director Ruiz's resignation and appointed Ms. Ward to the Board.

DIRECTORS' SWORN STATEMENTS, OFFICIAL BONDS AND OATHS OF OFFICE

Ms. Brook reviewed the Sworn Statement, Oath of Office, and Official Bond for Director Ward. After review and discussion, Director Zayas moved that the Board approve the Sworn Statement, Oath of Office, and Official Bond and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Axtell seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD

The Board considered reorganizing the Board of Directors. Following discussion, Director Zayas moved to reorganize the Board as follows:

Michael D. Rozell	President
Geoffrey Pope	Vice President
Heather Zayas	Secretary
Karri Axtell	Assistant Vice President
Julie Ward	Assistant Secretary

Director Axtell seconded the motion, which passed by unanimous vote.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the term of the newly elected director and the reorganization of the Board. Following review and discussion, Director Zayas moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Axtell seconded the motion, which passed by unanimous vote.

DISCUSS OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Brook reviewed a memorandum regarding the Texas Open Meetings Act prepared by ABHR, a copy of which is attached.

DISCUSS CONFLICT OF INTEREST DISCLOSURE

Ms. Brook reviewed a memorandum prepared by ABHR regarding Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. A copy of the memorandum is attached. She reviewed the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District and will need to be filed thereafter within seven days of a disclosable conflict arising.

The Board considered authorizing execution of an updated List of Local Government Officers. Following review and discussion, Director Zayas moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director

Axtell seconded the motion, which passed by unanimous vote.

## MINUTES

The Board considered approving the minutes of the March 2, 2018, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Rozell moved to approve the minutes of the March 2, 2018, 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 written security report for Shadow Creek Ranch, provided in advance of the meeting.

## ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice distributed to the Board in advance of today's meeting.

The Board reviewed an analytics report on the prior month's website activity, a copy of which is attached.

Ms. Brook reported that the Board of Brazoria County Municipal Utility District No. 26 ("BC 26") at its most recent meeting approved termination of (1) its contract with Off Cinco for monthly hosting and maintenance of the joint website with the District; and (2) the letter agreement with the District for cost sharing of the joint website, in order to create its own website.

Ms. Waugh distributed a proposal from Off Cinco and reviewed the District's options for website design and monthly hosting and maintenance. Following review and discussion, Director Axtell moved to approve (1) publication of the newsletter notice; (2) the proposal for website design and build-out in the amount of \$900.00 and monthly hosting and maintenance in the amount of \$250 per month; (3) consent to the termination of the contract between BC 26 and Off Cinco for monthly hosting and maintenance of the joint website, and (4) termination of the letter agreement with BC 26 for cost sharing of the joint website. Director Zayas seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia 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 reported on the current interest rate of a one year Certificate of Deposit ("CD") at Cadence Bank. She recommended the Board authorize the transfer of \$240,000 from the operating account to a one year Cadence Bank CD.

In response to a Board question, Mr. Baumgartner discussed the engineering budget and noted Hurricane Harvey has increased engineering expenses. He stated he will look into other possible causes for increased engineering expenses and report back to the Board at the next regularly scheduled meeting.

Director Zayas discussed activities she participated in on behalf of the District since the last Board meeting. She noted she attended the City of Pearland (the "City") Conversations with Council Members attended by Councilman Trent Perez; and the February 12, 2018, City Council meeting. The Board considered approving a per diem to Director Zayas for each activity.

The Board discussed the annual Association of Water Board Directors ("AWBD") Spring Breakfast and seminar.

After review and discussion, Director Axtell moved to approve (1) the bookkeeper's report and payment of the bills; (2) transfer of \$240,000 from the operating account to a one year Cadence Bank CD, as recommended; (3) two per diems to Director Zayas; and (4) authorization to any interested Directors to attend the AWBD Spring Breakfast. Director Zayas seconded the motion, which passed unanimously.

#### REPORT ON DEVELOPMENT

No report was presented.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Kumaga distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. She stated 97.23% of the District's 2017 taxes were collected as of March 31, 2018. Following review and discussion, Director Zayas moved to approve the tax assessor/collector's report. Director Pope seconded the motion, which carried by unanimous vote.

#### ENGINEERING MATTERS

Mr. Baumgartner distributed and reviewed the engineer's report, a copy of which is attached. He updated the Board on the status of District engineering projects.

Mr. Baumgartner recommended the Board approve Southlake Section 12 Final

Plat/Detention Reserve, which he presented for execution.

Mr. Baumgartner recommended approval of Pay Estimate No. 3 in the amount of \$203,855.73 and Change Order No. 1, which increases the contract in the amount of \$21,167.77, submitted by Hurtado Construction Company for the construction of the water, sewer, and drainage facilities to serve Southlake Section 9 and 10. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Baumgartner recommended approval of Change Order No. 1, which decreases the contract in the amount of \$12,504.30, submitted by Dimas Brothers Construction Company for the construction of the water, sewer, and drainage facilities to serve Shadow Grove Section 7. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Baumgartner distributed digital photos of sections of the District's storm sewer system taken by Camino Services, which are under review by LJA to assess if maintenance is needed following Hurricane Harvey.

Ms. Brook reported on the receipt of a proposal from Berg Oliver Associates, Inc. ("BOA") in the amount of \$2,600.00 to perform a Phase I Environmental Assessment (the "Assessment") on certain land tracts proposed for conveyance to the District, inclusion in bond application no. 9, and reimbursement to the appropriate developer. She stated the Assessment is requested before the District accepts any land conveyance.

Following review and discussion, Director Axtell moved to approve the engineer's report and (1) Southlake Section 12 Final Plat/Detention Reserve; (2) Pay Estimate No. 3 in the amount of \$203,855.73 and Change Order No. 1 in the amount of \$21,167.77, submitted by Hurtado Construction Company, based on the engineer's recommendation and the Board's finding that Change Order No. 1 is beneficial to the District; (3) Change Order No. 1 in the amount of -\$12,504.30, submitted by Dimas Brothers Construction Company, based on the engineer's recommendation and the Board's finding that Change Order No. 1 is beneficial to the District; and (4) BOA proposal in the amount of \$2,600.00. Director Zayas seconded the motion, which passed unanimously.

#### REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Rozell reported the Gulf Coast Economic Development District has federal funds available for certain public projects and suggested Hurricane Harvey impacted levee improvement districts or municipal utility districts be informed of this possible grant opportunity.

#### ATTORNEY'S REPORT

Ms. Brook reported that the BC 26 Director Election candidates were invited to

participate in a candidate forum on April 24, 2018, in addition to candidates for the Board of Directors of Alvin Independent School District and City Council.

Ms. Brook reported there was discussion at the most recent BC 26 Board meeting of an April 24, 2018, legislative hearing with State Representative Ed Thompson regarding landfills. She noted that, to date, there is no posting confirming the hearing. She then reported on communication with the office of Representative Thompson, which indicated the purpose of any such hearings would be to determine if more effective legislation could be enacted to ensure all Texas landfills operate safely. She added Representative Thompson's office did not, at this time, request testimony from the District, BC 26, or any special counsel or landfill expert hired by the District or BFB 1 but did welcome testimony from residents affected by a Texas landfill.

Ms. Brook reviewed a Resolution Requesting Suspension of Texas Commission on Environmental Quality Solid Waste Permit No. 1505A regarding the Blue Ridge Landfill. Ms. Brook noted the Board of BC 26 adopted same and the City adopted a similar resolution.

Discussion ensued, after which, Director Axtell moved that since no legislative hearing at this time has been posted to specifically address the Blue Ridge Landfill and Representative Thompson has not requested the Board's attendance at any such hearing, any interested Directors are authorized to attend any such hearing and testify as affected residents and not on behalf of the District. Director Ward seconded the motion, which passed unanimously.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is May 4, 2018, at 12:00 p.m.

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

The Board did not convene in this executive session.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES, OR A SECURITY AUDIT.

The Board did not convene in this executive session.

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 updates to the District's website as directed.
2. ABHR will submit the monthly newsletter notice for publication.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Open Meetings Act Memorandum .....	2
Conflicts Disclosure Memorandum .....	2
Bookkeeper's report.....	3
Tax assessor/collector's report .....	4
Engineer's report.....	4
website analytics report .....	3