

MINUTES
BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

April 17, 2015

The Board of Directors (the "Board") of Brazos County Municipal Utility District No. 1 (the "District") met in regular session, open to the public, on the 17th day of April, 2015, at 17777 State Highway 6 S, Tower Conference Room, College Station, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

R. Hunter Goodwin	President
Charles Moreau	Vice President
L. B. Hodges Jr.	Secretary
Kyle Davis	Assistant Secretary
Brian G. Fisher	Assistant Vice President

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

Also present at the meeting were Bill Mather of Grid Raceplex Holdings, Ltd.; Tami Martin of Texas World Speedway; Adam Brumbaugh of Jones & Carter, Inc.; Avik Bonnerjee of B&A Municipal Tax Service, LLC; Rose Montalbano of F. Matuska, Inc.; and Annette Stephens and Kristen Hogan of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approving the minutes of the January 29, 2015, organizational meeting. Following review and discussion, Director Davis moved to approve the organizational meeting minutes as submitted. Director Hodges seconded the motion, which passed unanimously.

ENGAGE AUDITOR

The Board reviewed an engagement letter from McGrath & Co., PLLC for preparation of annual audits and developer reimbursement reports for the District, as necessary. After review and discussion, Director Fisher moved to engage McGrath & Co., PLLC as the District's auditor and authorize execution of the engagement letter. Director Hodges seconded the motion, which passed unanimously.

UTILITY AGREEMENT WITH THE CITY OF COLLEGE STATION

Ms. Stephens discussed the development agreement between the City of College Station (the "City") and the owner of the land within the District. She then discussed the proposed Utility Agreement between the District and the City, copies of which were distributed at the last meeting. Ms. Stephens noted that the City will provide water and

sewer service as the retail utility provider for District customers. After review and discussion, Director Davis moved to approve and authorize execution of the Utility Agreement with the City. Director Fisher seconded the motion, which passed unanimously.

STRATEGIC PARTNERSHIP AGREEMENT WITH THE CITY OF COLLEGE STATION

Ms. Stephens and Mr. Mather discussed the proposed Strategic Partnership Agreement between the District and the City, copies of which were distributed at the last meeting. Ms. Stephens stated that the District is required to hold two public hearings to receive public comments on the proposed Strategic Partnership Agreement. After discussion, Director Davis moved to appoint Ms. Hogan as its hearing examiner to conduct a public hearing in the District at noon on May 8, 2015, and to hold the second public hearing at the District's next regular meeting. Director Fisher seconded the motion, which carried by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbano distributed and reviewed the bookkeeper's report, including the list of checks presented for approval, a copy of which is attached. She noted that the District's operating account was opened at Compass Bank, but added that an acceptable form of depository pledge agreement was subsequently negotiated with Guaranty Bank & Trust for future District accounts.

Ms. Montalbano reviewed a proposed budget for the fiscal year ending November 30, 2015, a copy of which is attached to the bookkeeper's report. She noted that the budget may be amended by the Board at any time during the fiscal year.

Ms. Stephens discussed the requirements of the Public Funds Investment Act and the Public Funds Collateral Act in connection with the District's investments. She then reviewed an Investment Policy with the Board.

Ms. Stephens stated the Board must appoint an Investment Officer for the District. She reviewed a proposed Resolution Appointing Investment Officer for the Board's consideration, which reflects Fran Matuska of F. Matuska, Inc. as the District's Investment Officer.

Ms. Stephens stated that Ms. Matuska, as the District's Investment Officer, and Ms. Montalbano, as the District's bookkeeper, are required to execute disclosure statements that disclose their relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission and updated whenever necessary. Ms. Montalbano presented the executed disclosure statements for the Board's consideration.

Ms. Stephens reviewed a Resolution Establishing Authorized Depository Institutions for the District and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She noted the list of qualified broker/dealers provided by the District's bookkeeper and attached as an exhibit to the Resolution.

Ms. Stephens then discussed the District's operating account that was opened at Compass Bank and presented a Depository Pledge Agreement between the District and Compass Bank for the Board's consideration.

After review and discussion, Director Fisher moved to take the following actions and direct that these documents be filed appropriately and retained in the District's official records: (1) approve the bookkeeper's report and payment of the bills; (2) adopt the budget for the fiscal year ending November 30, 2015; (3) adopt a Resolution Adopting Investment Policy; (4) adopt the Resolution Appointing Investment Officer reflecting the appointment of Ms. Matuska as the District's Investment Officer; (5) accept the disclosure statements from Ms. Matuska and Ms. Montalbano; (6) adopt the Resolution Establishing Authorized Depository Institutions for the District and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions; and (7) approve the Depository Pledge Agreement with Compass Bank. Director Davis seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Bonnerjee reported on efforts to work with the Brazos Central Appraisal District to activate the District for preparation of the District's tax roll for the future levy of taxes.

Ms. Stephens presented and reviewed a Resolution Designating Agent for Issuance of Notice to Purchasers reflecting that the District's agent for issuance of Notices to Purchasers will be the District's tax assessor/collector, Avik Bonnerjee of B&A Municipal Tax Service, LLC.

Following review and discussion, Director Fisher moved to adopt the Resolution Designating Agent for Issuance of Notice to Purchasers. Director Davis seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT IN THE DISTRICT

Mr. Mather discussed development plans for the District and responded to questions from the Board.

REPORT ON ENGINEERING MATTERS

Mr. Brumbaugh presented the engineer's report, a copy of which is attached.

Ms. Stephens stated that the District is required to post District name signs at two main entrances to the District. She recommended that the Board authorize the engineer to ensure the signs are ordered and installed.

Ms. Stephens next reviewed letters to the Texas Commission on Environmental Quality ("TCEQ") and the U.S. Environmental Protection Agency ("EPA") designating the District's engineer, Jones & Carter, Inc., as the District's agent in dealing with the two agencies.

Ms. Stephens stated that the District is authorized by Section 49.271(c) of the Texas Water Code to establish minimum criteria for acceptability of a surety company issuing payment and performance bonds in connection with construction of District facilities. She then reviewed a Resolution Establishing Criteria for Sureties Issuing Payment and Performance Bonds reflecting the District requirements that a surety (1) be certified to do business in the State of Texas, (2) be certified by the State Board of Insurance to issue payment and performance bonds in the contract amount, and (3) have a minimum rating of B+ in the Best Key Rating Guide.

Ms. Stephens stated that the District is required to adopt a prevailing wage rate scale for engineering construction. She discussed the engineer's recommendation that the Board adopt the prevailing wage rates of Brazos County for classes of workers employed on engineering construction projects in the locality of the District. Ms. Stephens reviewed a Resolution Adopting Prevailing Wage Rate Scale for Engineering Construction for the Board's consideration.

Mr. Brumbaugh discussed three design contracts between Jones & Carter, Inc. and the developer, on behalf of the District, for (1) mass grading and demolition, (2) master drainage study, and (3) offsite trunk water and sanitary sewer improvements, phase I. Ms. Stephens noted that an item will be added to next month's agenda for the Board to consider accepting an assignment of such contracts from the developer to the District.

After review and discussion, Director Fisher moved to take the following actions and direct that these documents be filed appropriately and retained in the District's official records: (1) approve the engineer's report; (2) authorize posting of District name signs; (3) authorize execution of the letters to the TCEQ and the EPA designating Jones & Carter, Inc. as the District's agent in dealing with the agencies; (4) adopt the Resolution Establishing Criteria for Sureties Issuing Payment and Performance Bonds; and (5) adopt the Resolution Adopting Prevailing Wage Rate Scale for Engineering Construction reflecting the District's adoption of Brazos County's prevailing wage rates. Director Davis seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Stephens reviewed with the Board an Order Establishing a Records Management Program and Designating a Records Management Officer for management of the District's records. She said the Order reflects the designation of Allen Boone Humphries Robinson LLP as the District's records management officer.

Ms. Stephens next reviewed with the Board the proposed Code of Ethics, Travel, Professional Services and Management Policy ("Code of Ethics") for the District and the proposed Travel Reimbursement Guidelines to establish guidelines for Directors traveling on District business. She then discussed the appointment of a District Audit Committee, pursuant to the Code of Ethics.

The Board next considered authorizing the execution of an updated District Registration Form reflecting the District's auditor and agent for issuance of notices to purchasers. Ms. Stephens stated that the updated District Registration Form will be filed with the TCEQ.

After review and discussion, Director Davis moved to take the following actions and direct that these documents be filed appropriately and retained in the District's official records: (1) adopt the Order Establishing a Records Management Program and Designating a Records Management Officer; (2) adopt the Code of Ethics and the Travel Reimbursement Guidelines and appoint the District's Audit Committee comprised of the entire Board; and (3) authorize execution and filing of the updated District Registration Form. Director Hodges seconded the motion, which passed unanimously.

ORDER CANCELLING CONFIRMATION ELECTION, DIRECTORS ELECTION, BOND ELECTIONS, AND OPERATION AND MAINTENANCE TAX ELECTIONS

The Board considered canceling the Confirmation Election, Directors Election, Bond Elections, and Operation and Maintenance Tax Elections called at the previous meeting to be held on May 9, 2015. After review and discussion, Director Fisher moved to adopt an Order Cancelling Confirmation Election, Director Election, Bond Elections, and Operation and Maintenance Tax Elections and direct it be filed and posted appropriately and retained in the District's official records. Director Davis seconded the motion, which passed by unanimous vote.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

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

(SEAL)





Secretary, Board of Directors

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