

MINUTES
BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

November 13, 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 13th day of November, 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, thus constituting a quorum.

Also present at the meeting were Jay Rudinger of West, Webb, Allbritton & Gentry, P.C.; Bill Mather of Grid Raceplex Holdings, Ltd.; Tami Martin of Texas World Speedway; Adam Brumbaugh of Jones & Carter, Inc.; Rose Montalbano of F. Matuska, Inc.; and Stephen M. Robinson and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the August 21, 2015, regular meeting. Following review and discussion, Director Davis moved to approve the minutes as submitted. Director Moreau seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbano distributed and reviewed the bookkeeper's report, including the list of checks presented for approval and the budget comparison, a copy of which is attached. She said she received an operating advance check from the developer prior to today's meeting to cover District expenses.

Ms. Montalbano next reviewed the District's proposed budget for the fiscal year ending November 30, 2016, a copy of which is attached to the bookkeeper's report.

Mr. Robinson discussed the threshold for an audit report exemption for water districts with less than \$250,000 in gross receipts, operations, loans, taxes or contributions, and cash and temporary investments during a fiscal period. He said the

District may file with the Texas Commission on Environmental Quality ("TCEQ") an annual financial report in lieu of an audit for the fiscal year ending November 30, 2015, since the District had less than \$250,000 in such revenues.

After review and discussion, Director Fisher moved to approve the bookkeeper's report and payment of the bills, adopt the budget for the fiscal year ending November 30, 2016, and authorize the bookkeeper to prepare and submit an annual financial report for the District to the TCEQ for the fiscal year ending November 30, 2015. Director Moreau seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Robinson presented a Depository Pledge Agreement between the District and Wells Fargo Bank for a District tax account to be opened at the appropriate time for the future receipt of tax revenues. Following review and discussion, Director Davis moved to approve the Depository Pledge Agreement with Wells Fargo Bank. Director Fisher seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT IN THE DISTRICT

Mr. Mather discussed development plans for the District.

REPORT ON ENGINEERING MATTERS

Mr. Brumbaugh presented the engineer's report, a copy of which is attached. He updated the Board on the design contracts for (1) mass grading and demolition, (2) master drainage study, and (3) offsite trunk water and sanitary sewer improvements, phase I. Mr. Brumbaugh noted that there were no action items for consideration.

ORDER CANVASSING THE RETURNS AND DECLARING RESULTS OF CONFIRMATION ELECTION, DIRECTOR ELECTION, BOND ELECTIONS, AND OPERATION AND MAINTENANCE TAX ELECTIONS

Mr. Robinson presented and reviewed an Order Canvassing the Returns and Declaring Results of Confirmation Election, Director Election, Bond Elections, and Operation and Maintenance Tax Elections ("Order") reflecting that the District's November 3, 2015, election resulted favorably for the following: (1) confirmation of the creation of the District; (2) the election of Directors Goodwin, Hodges, and Davis for terms ending after the director election to be held on May 7, 2016, and the election of Directors Moreau and Fisher for terms ending after the director election to be held on May 5, 2018; (3) the issuance of \$159,370,000 in bonds for water, sewer, and drainage facilities and for refunding such bonds and the levy of taxes in payment of the bonds; (4) the issuance of \$11,745,000 in bonds for road facilities and for refunding such bonds and the levy of taxes in payment of the bonds; (5) an operation and maintenance tax not to exceed \$1.00 per \$100 assessed valuation for facilities authorized by Article XVI,

Section 59, of the Texas Constitution; and (6) an operation and maintenance tax not to exceed \$0.25 per \$100 assessed valuation for road facilities authorized by Article III, Section 52, of the Texas Constitution. After review and discussion, Director Moreau moved to adopt the Order and direct that it be filed appropriately and retained in the District's official records. Director Davis seconded the motion, which passed unanimously.

SWORN STATEMENTS, BONDS, AND OATHS OF OFFICE

The Board considered approving the Sworn Statements, Oaths of Office, and Official Bonds of the five District Directors in connection with their election to the Board for staggered terms. Mr. Robinson said the Oaths of Office will be filed with the Secretary of State. After review and discussion, Director Fisher moved to approve the Sworn Statements, Oaths of Office, and Official Bonds executed by the Directors and direct that such documents be filed appropriately and retained in the District's official records. Director Moreau seconded the motion, which passed unanimously.

DISTRICT REGISTRATION FORM

Mr. Robinson said the District is required to file an updated District Registration Form reflecting the new terms of office of the elected Directors with the TCEQ. After review and discussion, Director Moreau moved to authorize execution and filing of an updated District Registration Form reflecting the new terms of office. Director Davis seconded the motion, which passed unanimously.

AMENDMENT TO INFORMATION FORM

Mr. Robinson presented and reviewed an Amendment to Information Form reflecting the confirmation of the District's creation and the bonds authorized by the District's voters that may hereafter be issued by the District. He stated that the District is required to file the Amendment to Information Form with Brazos County and the TCEQ. After review and discussion, Director Goodwin moved to authorize execution and filing of the Amendment to Information Form. Director Moreau seconded the motion, which passed unanimously.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS FOR THE DISTRICT

Mr. Robinson reviewed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission, a copy of which is attached. He stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. Mr. Robinson reviewed

the List of Local Government Officers. After review and discussion, Director Moreau 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 Hodges seconded the motion, which passed unanimously.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

At 12:41 p.m., Director Goodwin announced that the Board would convene in executive session. Ms. Martin and Ms. Montalbano left the meeting.

At 1:02 p.m., Director Fisher left the meeting.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE PURPOSE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

At 1:19 p.m., Director Goodwin announced that the Board would reconvene in open session.

CONSIDER USE OF EMINENT DOMAIN AUTHORITY TO CONDEMN PROPERTY AND, IF APPROPRIATE, ADOPT RESOLUTION AUTHORIZING CONDEMNATION

This item was tabled.

ENGAGE CONDEMNATION ATTORNEY

Mr. Rudinger presented and reviewed a proposed engagement letter from West, Webb, Allbritton & Gentry, P.C. for legal services associated with acquisition of real property interests. Following review and discussion, Director Davis moved to authorize execution of the engagement letter from West, Webb, Allbritton & Gentry, P.C. Director Moreau seconded the motion, which passed unanimously.

ENGAGE APPRAISER

Mr. Rudinger presented a proposal from S.T. Lovett & Associates to provide property appraisal services for the District. After review and discussion, Director Goodwin moved to approve the proposal from S.T. Lovett & Associates for appraisal services. Director Hodges seconded the motion, which passed unanimously.

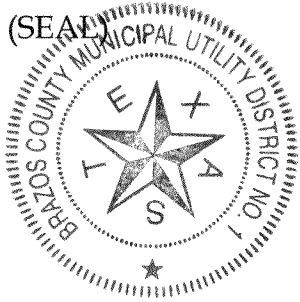
MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred for ABHR to contact the Board members to schedule the next meeting.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Engineer's report.....	2
Memorandum regarding conflict of interest disclosure.....	3