

MINUTES  
BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

April 29, 2016

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 29th day of April, 2016, 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 Directors Goodwin and Fisher, thus constituting a quorum.

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

MINUTES

The Board considered approving the minutes of the November 13, 2015, regular meeting. Following review and discussion, Director Davis moved to approve the minutes as submitted. Director Hodges seconded the motion, which passed unanimously.

2016 DIRECTORS ELECTION

Mr. Robinson reviewed an Order Regarding Directors' Terms, which finds that because no residents live within the District's boundaries, the District will be unable to hold its biennial directors election as required by law. He stated that the Order also reflects that the three directors whose terms are expiring, Directors Goodwin, Hodges and Davis, will continue to holdover and perform the duties of their offices until the directors election on May 2, 2020, or until their successors have been duly elected or appointed and have qualified. After review and discussion, Director Davis moved to adopt the Order Regarding Directors' Terms to be filed appropriately and retained in the District's official records. Director Hodges seconded the motion, which passed unanimously.

## IMPLEMENTATION OF HOUSE BILL 1295

Mr. Robinson presented and reviewed a memorandum from ABHR regarding implementation of House Bill 1295 that was passed by the Texas Legislature during the 84<sup>th</sup> Legislative Session, which enacted Section 2252.908, Government Code, imposing new requirements for any new, amended, extended or renewed contracts entered into by governmental entities on or after January 1, 2016. A copy of the memorandum is attached. Mr. Robinson stated that business entities must file a FORM 1295 with the Texas Ethics Commission and disclose certain interested parties, intermediaries, and controlling interests when seeking any contract that is in excess of \$1 million or requires an action or vote by the governing body before a governmental entity may enter into a contract. He discussed FORM 1295 promulgated by the Texas Ethics Commission for a business entity to complete, execute and notarize, and provide to the governmental entity at or in advance of the meeting at which the related contract may be considered.

## RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies. After review and discussion, Director Hodges moved to approve the renewal proposal. Director Davis seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, including the list of checks presented for approval and the budget comparison, a copy of which is attached. After review and discussion, Director Davis moved to approve the bookkeeper's report and payment of the bills. Director Hodges seconded the motion, which passed by unanimous vote.

## ANNUAL DISCLOSURE STATEMENTS

Mr. Robinson stated that in accordance with the District's Investment Policy, Rose Montalbano as the District's bookkeeper and Fran Matuska as the District's Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. He added that the disclosure statements will be filed with the Texas Ethics Commission. The Board reviewed the executed disclosure statements submitted by Ms. Montalbano and Ms. Matuska. After review and discussion, Director Davis moved to accept the disclosure statements, pursuant to the District's Investment Policy and the Public Funds Investment Act, and direct that the disclosure statements be filed appropriately and retained in the District's official records. Director Hodges seconded the motion, which passed unanimously.

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND  
RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS  
AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE  
DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board conducted its annual review of the District's Investment Policy and determined that no changes were needed. Mr. Robinson presented and reviewed a Resolution Regarding Annual Review of Investment Policy, reflecting that no changes will be made to the current Investment Policy.

Mr. Robinson next presented and reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions to update the list of qualified banks with which the District may invest funds. He noted that the District's bookkeeper provided the updated list of banks, which is attached as Exhibit A to the Resolution.

After review and discussion, Director Davis moved to adopt the Resolutions, pursuant to the District's Investment Policy and the Public Funds Investment Act, and direct that they be filed appropriately and retained in the District's official records. Director Hodges seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

There was no report on tax assessment and collection matters.

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. He said he will present a proposed amendment to the engineer's contract at the next meeting based on the reduced scope of facilities to be constructed for phase I of development.

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

At 10:18 a.m., Director Moreau announced that the Board would convene in executive session. Ms. Martin, Mr. Brumbaugh, Mr. Walton, and Mr. Reeves left the meeting.

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

At 10:45 a.m., Director Moreau announced that the Board would reconvene in open session.

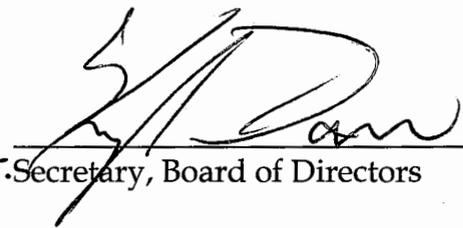
CONSIDER USE OF EMINENT DOMAIN AUTHORITY TO CONDEMN PROPERTY AND, IF APPROPRIATE, ADOPT RESOLUTION AUTHORIZING CONDEMNATION

After review and discussion, Director Hodges moved to authorize a final offer letter to be sent to the landowner, based on the appraisal, and to adopt a Resolution Authorizing Initiation of Condemnation Proceedings. Director Davis 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, Director Davis moved to adjourn the meeting. Director Hodges seconded the motion, which passed unanimously.

  
Asst. Secretary, Board of Directors



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