

MINUTES  
BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

June 29, 2017

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 June, 2017, 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.; Rose Montalbano of F. Matuska, Inc.; Bill Mather of Grid Raceplex Holdings, Ltd.; Tami Martin of Texas World Speedway; Derek Walton, Adam Brumbaugh, and Alex Pfefferkorn of Jones & Carter, Inc.; and Annette Stephens and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 2, 2016, regular meeting. Following review and discussion, Director Moreau moved to approve the minutes as submitted. Director Davis seconded the motion, Director Goodwin abstained, and the motion passed.

COMMENTS FROM THE PUBLIC

There were no public comments.

REVIEW LIST OF LOCAL GOVERNMENT OFFICERS PURSUANT TO CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Ms. Stephens stated that pursuant to Chapter 176 of the Texas Local Government Code, the District maintains a List of Local Government Officers. She reviewed the List of Local Government Officers. After review and discussion, Director Davis 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 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 next presented a form from Compass Bank to designate representatives of F. Matuska, Inc. to handle District funds. Ms. Montalbano then presented the District's annual financial report for the fiscal year ended November 30, 2016. After review and discussion, Director Goodwin moved to approve the bookkeeper's report and payment of the bills, authorize execution of the form from Compass Bank, and approve and authorize filing of the annual financial report. Director Fisher seconded the motion, which passed by unanimous vote.

## ANNUAL DISCLOSURE STATEMENTS

Ms. Stephens stated that in accordance with the District's Investment Policy, Ms. 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. She 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 Moreau seconded the motion, which passed unanimously.

## RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Ms. Stephens stated that legislation related to the Public Funds Investment Act was passed during the 2017 Regular Session of the Texas Legislature, which recently concluded. She said ABHR is reviewing the legislation and the District's Investment Policy to determine whether any revisions are necessary. The Board concurred to table this item until the next meeting.

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

Ms. Stephens 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. She 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 Goodwin moved to adopt the Resolution,

pursuant to the District's Investment Policy and the Public Funds Investment Act, and direct that it be filed appropriately and retained in the District's official records. Director Davis seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT IN THE DISTRICT AND APPROVE DEVELOPMENT FINANCING AGREEMENTS AND ANY NECESSARY ASSIGNMENTS THEREOF

Mr. Mather discussed the formation of Southern Pointe, LLC to assume the role of master developer from Grid Raceplex Holdings, Ltd. Ms. Stephens discussed the existing Development Financing Agreement between the District and Grid Raceplex Holdings, Ltd. for prior development costs advanced on behalf of the District. She next discussed a proposed new Development Financing Agreement between the District and Southern Pointe, LLC for future development costs advanced on behalf of the District. Discussion then ensued regarding the Texas Commission on Environmental Quality's feasibility rules for financing public facilities. Ms. Stephens added that an amendment to the Development Financing Agreement between the District and Grid Raceplex Holdings, Ltd. to reflect the new agreement with Southern Pointe, LLC will be presented at the next meeting for the Board's consideration. After review and discussion, Director Fisher moved to approve the new Development Financing Agreement with Southern Pointe, LLC. Director Davis seconded the motion, which passed unanimously.

Mr. Mather next reviewed development plans for the District.

REPORT ON ENGINEERING MATTERS

Ms. Stephens discussed the process for construction of public facilities and responded to questions from the Board regarding same.

Mr. Walton distributed and reviewed the engineer's report, a copy of which is attached. He discussed and recommended Board action on design and authorization to advertise for bids for construction of the following: (1) offsite sanitary sewer facilities to serve Southern Pointe; (2) demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100; (3) water, sewer, and drainage facilities to serve Southern Pointe, Section 100; (4) major thoroughfares to serve Southern Pointe, Section 100; and (5) phase I lift station and force main to serve Southern Pointe.

Mr. Walton reported on bids received for construction of the offsite sanitary sewer facilities to serve Southern Pointe. He recommended that the contract be awarded to the lowest responsible bidder, Elliott Construction, LLC, in the initial contract amount of \$823,761, subject to receipt of final approvals from the City of College Station (the "City") and review of construction bonds and insurance. The Board concurred, in its judgment, that Elliott Construction, LLC is a responsible bidder and will result in the best and most economical completion of the District's facilities.

Mr. Walton next reported on bids received for construction of the demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100. He recommended that the contract be awarded to the lowest responsible bidder, Texcon General Contractors, in the initial contract amount of \$1,740,289.06, subject to receipt of final approvals from the City and review of construction bonds and insurance. The Board concurred, in its judgment, that Texcon General Contractors is a responsible bidder and will result in the best and most economical completion of the District's facilities.

The Board discussed the Access and Utility Easement granted to Greens Prairie Investors, Ltd., 2015 SoPo Ltd., and McAlister Opportunity Fund 2012, L.P. for a proposed offsite major thoroughfare. The Board concurred no action was necessary regarding the Easement at this time.

After review and discussion, Director Moreau moved to approve the engineer's report and to take the following actions, based on the engineer's recommendation: (1) authorize design of (i) offsite sanitary sewer facilities to serve Southern Pointe, (ii) demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100, (iii) water, sewer, and drainage facilities to serve Southern Pointe, Section 100, (iv) major thoroughfares to serve Southern Pointe, Section 100, and (v) phase I lift station and force main to serve Southern Pointe; (2) approve the plans and specifications and authorize advertisement for bids for construction of (i) offsite sanitary sewer facilities to serve Southern Pointe, (ii) demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100, (iii) water, sewer, and drainage facilities to serve Southern Pointe, Section 100, (iv) major thoroughfares to serve Southern Pointe, Section 100, and (v) phase I lift station and force main to serve Southern Pointe; (3) award the contract for construction of the offsite sanitary sewer facilities to serve Southern Pointe to Elliott Construction, LLC in the amount of \$823,761, subject to receipt of final approvals from the City and review of construction bonds and insurance; and (4) award the contract for construction of the demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100 to Texcon General Contractors in the amount of \$1,740,289.06, subject to receipt of final approvals from the City and review of construction bonds and insurance. Director Fisher seconded the motion. After discussion, the motion passed by unanimous vote.

#### FORMATION OF COMMITTEES

The Board discussed with Ms. Stephens the possibility of establishing committees. After discussion, the Board concurred for ABHR to prepare a proposed policy for a construction committee comprised of two Board members. The Board concurred to table action on this item until the next meeting, pending review of a proposed policy.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to schedule the next meeting for August 4, 2017, and to tentatively establish the first Friday at noon as the District's regular meeting date.

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

The Board concurred it was not necessary to convene in executive session for this purpose.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

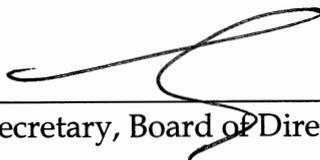
At 1:23 p.m., Director Goodwin announced that the Board would convene in executive session to discuss pending or contemplated litigation. Ms. Montalbano, Ms. Martin, Mr. Walton, Mr. Brumbaugh, and Mr. Pfefferkorn left the meeting.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

At 1:38 p.m., Director Goodwin announced that the Board would reconvene in open session. Upon reconvening in open session, no action was taken.

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



  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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