

MINUTES
BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

September 14, 2018

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 14th day of September, 2018 at the offices of Jones & Carter, Inc., 150 Venture Drive, Suite 100, College Station, Texas, outside 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 Terrell Palmer of Post Oak Municipal Advisors LLC; Avik Bonnerjee of B&A Municipal Tax Service, LLC; Rose Montalbano of F. Matuska, Inc.; Wallace Phillips of Greens Prairie Investors, Ltd.; Bill Mather of Grid Raceplex Holdings, Ltd.; Derek Walton and Alex Pfefferkorn of Jones & Carter, Inc. ("J&C"); and Annette Stephens and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the April 6, 2018, regular meeting. Following review and discussion, Director Moreau moved to approve the minutes as submitted. Director Fisher seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no public comments.

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. After review and discussion, Director Fisher moved to approve the bookkeeper's report and payment of the bills. Director Davis seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Bonnerjee distributed and reviewed the monthly tax assessor/collector's reports for April-August, 2018, copies of which are attached. He noted that the 2017 taxes are 100% collected. After review and discussion, Director Davis moved to approve the tax assessor/collector's reports and payment of the tax bills listed in the reports. Director Moreau seconded the motion, which passed unanimously.

FINANCIAL ADVISOR MATTERS

Mr. Palmer reported that he resigned from Hilltop Securities, Inc. ("Hilltop") and started a new financial advisory company called Post Oak Municipal Advisors LLC ("Post Oak"). He discussed the new company and requested that the Board consider engaging Post Oak as the District's new financial advisor. Mr. Palmer reviewed a proposed Municipal Advisory Contract with Post Oak (the "Post Oak Contract") for Post Oak to serve as financial advisor for the District, noting substantially similar terms as the District's Financial Advisory Contract with First Southwest Company (now known as Hilltop) dated January 29, 2015 (the "Hilltop Contract"). Ms. Stephens discussed the Hilltop Contract and the termination provisions therein. After review and discussion, Director Hodges moved to take the following actions: (1) authorize termination of the Hilltop Contract, effective on the earlier of (i) 30 days from the date written notice of termination is provided, or (ii) the date that Hilltop agrees in writing to waive the 30-day notice provision; and (2) approve and authorize execution of the Post Oak Contract. Director Fisher seconded the motion, which passed unanimously.

2018 TAX RATE

The Board considered setting a 2018 tax rate. Mr. Palmer discussed the District's tax rate and responded to questions from the Board. Ms. Stephens discussed the two-step process to levy a 2018 tax rate. Mr. Bonnerjee discussed the notice that must be published or mailed to District taxpayers regarding the date and time of the public hearing at which the District will set the proposed tax rate. After discussion, Director Davis moved to set the public hearing for October 17, 2018, at 1:00 p.m., and to authorize the tax assessor/collector to mail notice of the District's meeting on October 17, 2018, to set the proposed 2018 tax rate of \$1.00 per \$100 of assessed valuation for operations and maintenance purposes. Director Moreau seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT IN THE DISTRICT

Mr. Mather reported on development activity in the District.

REPORT ON ENGINEERING MATTERS

Mr. Walton distributed and reviewed the engineer's report, a copy of which is attached.

Mr. Walton updated the Board on construction of the offsite sanitary sewer facilities to serve Southern Pointe, as reflected in his report. He presented and recommended approval of Change Order No. 3, which increases the total contract amount by \$42,506.00 to address City of College Station (the "City") requirements to construct an 8-inch water line relocation and related appurtenances and to install an 8-inch external drop. Ms. Stephens and Mr. Mather discussed a proposed agreement with the City for consideration under agenda item no. 8, which provides for City reimbursement of a portion of the additional cost. After discussion, the Board determined that Change Order No. 3 was beneficial to the District.

Mr. Walton then updated the Board on construction of the demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100, as reflected in his report. He presented and recommended approval of Pay Estimate No. 4 in the amount of \$1,111,124.49, payable to Texcon General Contractors. Mr. Walton also presented and recommended approval of Change Order No. 2, which increases the total contract amount by \$200,120.92 for final quantity adjustments, unanticipated field conditions, the addition of a detention pond outfall structure, and bonding expenses. After discussion, the Board determined that Change Order No. 2 was beneficial to the District.

After review and discussion, Director Moreau moved to take the following actions, based on the engineer's recommendation: (1) approve Change Order No. 3 for a net increase of \$42,506.00 for construction of the offsite sanitary sewer facilities to serve Southern Pointe; and (2) approve Pay Estimate No. 4 in the amount of \$1,111,124.49 and Change Order No. 2 for a net increase of \$200,120.92 for construction of the demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100. Director Davis seconded the motion, which passed unanimously.

Mr. Walton next reported on construction of the water, sewer, drainage, and paving facilities to serve Southern Pointe, Section 100. He presented and recommended approval of Pay Estimate No. 1 in the amount of \$427,855.59, Pay Estimate No. 2 in the amount of \$685,160.46, and Pay Estimate No. 3 in the amount of \$942,511.22, payable to Larry Young Paving Inc.

Mr. Walton then reported on construction of the phase I lift station and force main to serve Southern Pointe. He presented and recommended approval of Pay Estimate No. 1 in the amount of \$88,791.75 and Pay Estimate No. 2 in the amount of \$183,402.45, payable to Teal Services, LLC. Mr. Walton also presented and recommended approval of Change Order No. 1, which increases the total contract

amount by \$3,850.00 to install gravel due to groundwater conditions. The Board determined that Change Order No. 1 was beneficial to the District.

After review and discussion, Director Moreau moved to approve the engineer's report and, based on the engineer's recommendation, to take the following actions: (1) approve Pay Estimate Nos. 1-3 in the amounts of \$427,855.59, \$685,160.46, and \$942,511.22, respectively, for construction of the water, sewer, drainage, and paving facilities to serve Southern Pointe, Section 100; and (2) approve Pay Estimate Nos. 1 and 2 in the amounts of \$88,791.75 and \$183,402.45, respectively, for construction of the phase I lift station and force main to serve Southern Pointe. Director Davis seconded the motion, which carried unanimously.

INTERLOCAL AGREEMENTS WITH CITY FOR PARTICIPATION IN OFFSITE SANITARY LINE AND WATER LINE CONSTRUCTION

Ms. Stephens presented and reviewed a proposed Acknowledgement of Participation agreement (the "Acknowledgment") between the District and the City related to City reimbursement of certain infrastructure construction costs associated with requirements of the City. She reviewed the terms of the Acknowledgment related to the District's offsite sanitary sewer construction, which provides that the City will reimburse the District for the actual construction costs of the relocation of the existing City 8-inch water line to serve City utility needs. Mr. Mather discussed the terms of the Acknowledgment related to the District's future construction of a 16-inch offsite water line, which provides that the City will reimburse the District for 50% of the additional cost to use ductile iron pipe for the water line to serve development outside the boundaries of the District. Ms. Stephens said the Acknowledgment was sent to the City for review and will be included on the District's next meeting agenda for Board consideration.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred that the next meeting will be held on October 17, 2018, at 1:00 p.m.

EXECUTIVE SESSION

At 12:57 p.m., Director Goodwin announced that the Board would convene in executive session.

RECONVENE IN OPEN SESSION

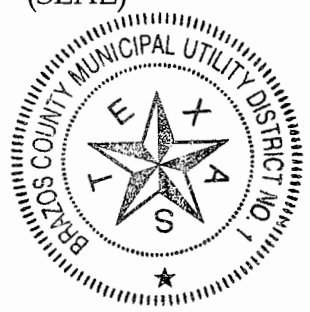
At 1:15 p.m., Director Goodwin announced that the Board would reconvene in open session. Upon reconvening in open session, no action was taken.

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



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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