

MINUTES
BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

October 17, 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 17th day of October, 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 except Director Fisher, thus constituting a quorum.

Also present at the meeting were Avik Bonnerjee of B&A Municipal Tax Service, LLC; Rose Montalbano of F. Matuska, Inc.; 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 September 14, 2018, regular meeting. Following review and discussion, Director Hodges moved to approve the minutes as submitted. Director Davis seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no public comments.

FINANCIAL AND BOOKKEEPING MATTERS, BUDGET FOR FISCAL YEAR END NOVEMBER 30, 2019, AND ANNUAL FINANCIAL REPORT FOR FISCAL YEAR END NOVEMBER 30, 2018

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, and the District's proposed budget for the fiscal year ending November 30, 2019, a copy of which is attached to the bookkeeper's report.

Ms. Stephens 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. She 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, 2018, since the District had less than \$250,000 in such revenues.

After review and discussion, Director Goodwin moved to approve the bookkeeper's report and payment of the bills, adopt the budget for the fiscal year ending November 30, 2019, 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, 2018. 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 report, a copy of which is attached. After review and discussion, Director Goodwin moved to approve the tax assessor/collector's report and payment of the tax bills listed in the report. Director Hodges seconded the motion, which passed unanimously.

2018 TAX RATE

Mr. Bonnerjee stated that notice was mailed to all District taxpayers of the public hearing to be held at today's meeting regarding adoption of the District's 2018 tax rate. The Board then opened the public hearing regarding the District's proposed tax rate of \$1.00 per \$100 of assessed valuation for operations and maintenance. No members of the public came forward to make comments and the public hearing was closed. Ms. Stephens presented an Order Levying Taxes reflecting the proposed 2018 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with Brazos County and the TCEQ. After review and discussion, Director Goodwin moved to adopt the Order Levying Taxes reflecting a 2018 tax rate of \$1.00 per \$100 of assessed valuation for operations and maintenance, authorize execution of the Amendment to Information Form, and direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Davis seconded the motion, which passed unanimously. The Board confirmed its intention that the 2018 maintenance tax levy is for the fiscal year ending November 30, 2019.

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 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. 5 and Final in the amount of \$250,006.60, payable to Texcon General Contractors, and final acceptance of the project. After review and discussion, Director Moreau moved to approve Pay Estimate No. 5 and Final in the amount of \$250,006.60 for construction of the demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100, and accept the project, based on the engineer's recommendation. Director Davis seconded the motion, which passed unanimously.

Mr. Walton 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. 4 in the amount of \$476,420.22, payable to Larry Young Paving Inc.

Mr. Walton next 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. 3 in the amount of \$61,373.07, payable to Teal Services, LLC.

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 No. 5 and Final in the amount of \$250,006.60 for construction of the demolition, clearing, grubbing, and mass grading to serve Southern Pointe, Section 100, and accept the project; (2) approve Pay Estimate No. 4 in the amount of \$476,420.22 for construction of the water, sewer, drainage, and paving facilities to serve Southern Pointe, Section 100; and (3) approve Pay Estimate No. 3 in the amount of \$61,373.07 for construction of the phase I lift station and force main to serve Southern Pointe. Director Davis seconded the motion, which carried unanimously.

INTERLOCAL AGREEMENT(S) WITH CITY OF COLLEGE STATION (THE "CITY") FOR PARTICIPATION IN OFFSITE SANITARY SEWER FACILITIES AND WATER LINE CONSTRUCTION

The Board reviewed the 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. Ms. Stephens 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. Following review and discussion, Director Goodwin moved to approve the Acknowledgement, and direct that the Acknowledgement be filed appropriately and retained in the District's official records. Director Moreau seconded the motion, which carried 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.

EXECUTIVE SESSION

At 1:27 p.m., Director Goodwin announced that the Board would convene in executive session.

RECONVENE IN OPEN SESSION

At 1:47 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.

(SEAL)




Asst. Secretary, Board of Directors

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