

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 39

October 23, 2018

The Board of Directors ("Board") of Brazoria County Municipal Utility District No. 39 (the "District") met in regular session, open to the public, on the 23rd day of October, 2018, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Nancy Davis	President
Danny Traylor	Vice President
Michael Yu	Secretary
Terry Reeves	Assistant Secretary
Jordan Nightingale	Assistant Vice President

and all of the above were present, except Directors Davis and Traylor, thus constituting a quorum.

Also present at the meeting were Jan Bartholomew of Robert W. Baird & Co., Inc. ("Baird"); Rick Marriott of Si Environmental, LLC ("Si"); Scott Wright of MHI Partnership, Ltd. ("MHI"); Katie Summers of TBG Partners ("TBG"); Donna Bryant of Assessments of the Southwest, Inc. ("ASW"); Jorge Diaz of McLennan & Associates, LP ("McLennan"); Brian Edwards of LJA Engineering, Inc. ("LJA"); and Tim Austin and Ashley Ramos of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approval of the September 25, 2018, meeting minutes. After review and discussion, Director Yu moved to approve the September 25, 2018, meeting minutes. Director Reeves seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT

Mr. Marriott reviewed the operator's report, a copy of which is attached. He reported on maintenance and repairs completed during the previous month. After review and discussion, Director Yu moved to approve the operator's report. Director Nightingale seconded the motion, which passed by unanimous vote.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Marriott presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Yu moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Nightingale and passed by unanimous vote.

BOOKKEEPER'S REPORT

Mr. Diaz presented and reviewed the bookkeeper's report, a copy of which is attached, and submitted the monthly bills of the District for the Board's review. After review and discussion, Director Yu moved to approve the bookkeeper's report and the checks presented for payment. Director Nightingale seconded the motion, which passed by unanimous vote.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Bryant distributed and reviewed the monthly tax assessor/collector's report, a copy of which is attached. She stated that the report reflects the District's 2017 taxes were 100.00% collected as of September 30, 2018. After review and discussion, Director Yu moved to approve the tax assessor/collector's report and the checks presented for payment. Director Nightingale seconded the motion, which passed by unanimous vote.

REPORT FROM STORM WATER SOLUTIONS, L.L.C., INCLUDING DISCUSS CHANNEL AND DETENTION POND MAINTENANCE

There was no report on this agenda item.

ENGINEER'S REPORT

Mr. Edwards reviewed an engineering report, a copy of which is attached.

WATER SUPPLY PLANT NO. 1 WELL STUDY

Mr. Edwards updated the Board regarding the Water Supply Plant No. 1 well study, stating construction is ongoing. He recommended approval of Pay Estimate No. 2 in the amount of \$32,985.00 to Weisinger, Inc. ("Weisinger"). Following review and discussion, and based upon the engineer's recommendation, Director Reeves moved to

approve Pay Estimate No. 2 in the amount of \$32,985.00 to Weisinger. Director Yu seconded the motion, which passed by unanimous vote.

Mr. Edwards presented and reviewed a request from WSP USA ("WSP"), a copy of which is included in the engineer's report. He then stated WSP, formerly LBG-Guyton Associates, currently has a contract with the District to provide professional groundwater and environmental engineering services associated with the testing and rehabilitation of the well at Water Supply Plant No. 1. Mr. Edwards added that the current contract was approved for the initial budget amount of \$8,000 for the construction review phase. Mr. Edwards stated WSP expects to exceed this budget amount and has requested authorization to increase the estimated fee from \$8,000 to \$16,000. Following review and discussion, and based upon the engineer's recommendation, Director Reeves moved to approve the budget increase from \$8,000 to \$16,000 to WSP. Director Yu, seconded the motion, which carried by unanimous vote.

WASTEWATER TREATMENT PLANT, PHASE 2 TO SERVE POMONA

Mr. Edwards reported on the construction of the Wastewater Treatment Plant, Phase 2 to serve Pomona.

WASTEWATER TREATMENT PLANT DISCHARGE PERMIT RENEWAL APPLICATION

Mr. Edwards reported on the status of the wastewater treatment plant discharge permit renewal application.

WATER REUSE APPLICATION

Mr. Edwards reported on the status of the water reuse application, which requests authorization from the TCEQ to utilize the wastewater treatment plant effluent to irrigate the tree farm adjacent to the facility.

BOND APPLICATION NO. 3

Mr. Edwards updated the Board regarding the preparation of Bond Application Report No. 3. He stated the bond application will utilize surplus funds from previous bond applications and include up to five years of developer interest. The Board reviewed an updated Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds and Use of Surplus Funds (the "Resolution"). Following review and discussion, Director Reeves moved to approve the updated Resolution. Director Yu seconded the motion, which carried by a unanimous vote.

WATER SUPPLY PLANT NO. 1, PHASE 2

Mr. Edwards reported on plans for the Water Supply Plant No. 1, Phase 2 expansion project. He stated an expansion of the existing water plant is required to serve development within the District. Mr. Edwards added that the project will expand the capacity of the water plant from 625 equivalent single-family connections ("ESFCs") to 1,250 ESFCs. He stated the project will be completed by Brazoria County Municipal Utility District No. 40 ("MUD 40") in accordance with the Joint Facilities/Cost Sharing Agreement between the District and MUD 40. Mr. Edwards added that design is ongoing.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA PARKWAY, PHASE 3

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona Parkway, Phase 3. He stated the proposed project includes the extension of Pomona Parkway across the Gulf Coast Water Authority Canal and into MUD 40. Mr. Edwards added that the portion of the project east of the Gulf Coast Water Authority Canal is within the District boundaries. He stated that design is ongoing.

PAVING TO SERVE POMONA PARKWAY, PHASE 3

Mr. Edwards reported on the plans for paving to serve Pomona Parkway, Phase 3. He stated the proposed project includes the extension of Pomona Parkway across the Gulf Coast Water Authority Canal and into MUD 40. Mr. Edwards added that the portion of the project east of the Gulf Coast Water Authority Canal is within the District boundaries. He stated design is ongoing.

PHASE 2B LANDSCAPE FOR POMONA, SECTIONS 7 AND 8

Ms. Summers reviewed a report from TBG, a copy of which is attached.

Ms. Summers updated the Board regarding Phase 2B landscape to serve Pomona, Sections 7 and 8. Ms. Summers reviewed and recommended approval of Change Order No. 5 to the contract with Earth First Landscapes, LLC ("Earth First") for the Phase 2B landscape to serve Pomona, Sections 7 and 8 to decrease the contract in the amount of \$655.08. The Board determined that Change Order No. 5 is beneficial to the District. She next reviewed and recommended approval of Pay Estimate No. 9 in the amount of \$7,855.04 to Earth First for the Phase 2B landscape to serve Pomona, Sections 7 and 8. Following review and discussion, and based on the landscape architect's recommendation, Director Reeves moved to (1) approve Change Order No. 5 in the amount of \$655.08 as a decrease to the contract with Earth First, based upon the Board's finding that the Change Order is beneficial to the District; and (2) approve Pay Estimate No. 9 in the amount of \$7,855.04 to Earth First for the Phase 2B landscape to serve

Pomona, Sections 7 and 8. Director Yu seconded the motion, which carried by unanimous vote.

DEEDS AND EASEMENTS

No deeds or easements were submitted for Board approval.

REPORT ON DEVELOPMENT

Mr. Wright reported on development in the District.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.



Secretary, Board of Directors

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