

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 39

January 22, 2019

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 22nd day of January, 2019, 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 Director Traylor, thus constituting a quorum.

Also present at the meeting were Mike Orlando and Mary Dubois of Acclaim Energy Advisors ("Acclaim"); Jan Bartholomew of Robert W. Baird & Co. Incorporated, Inc. ("Baird"); Rick Marriott of Si Environmental, LLC ("Si"); Donna Bryant of Assessments of the Southwest, Inc. ("ASW"); Jorge Diaz of McLennan & Associates, LP ("McLennan"); Russell Bynum of Hillwood Communities ("Hillwood"); Katie Summers of TBG Partners ("TBG") Brian Edwards of LJA Engineering, Inc. ("LJA"); and Tim Austin, Holly Huston and Ashley Ramos of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approval of the December 18, 2018, meeting minutes. After review and discussion, Director Davis moved to approve the December 18, 2018, meeting minutes. Director Nightingale 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 Davis seconded the motion, which passed by unanimous vote.

Mr. Marriot reported that due to an internal error by Si at the Wastewater Treatment Plant, sewage was inadvertently dumped onto the ground. He stated the area around the Wastewater Treatment Plan has been cleaned at no cost to the District.

Mr. Marriot reported that as a result of ongoing water quality issues around country, SI has been notified by the Texas Commission on Environmental Quality ("TCEQ") that the District is required to pay for and conduct a minimum of five tests at the homes of District residents to check for levels of iron in the drinking water. He noted SI will coordinate with District residents between June and December to conduct the water quality testing. Mr. Bynum requested that SI forward information from the TCEQ regarding the testing to Hillwood so he can distribute to the Pomona Homeowners Association ("PHOA").

#### 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 Davis and passed by unanimous vote.

#### ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Austin reported that the District has not yet sold bonds and that no change to the District's compliance policy is recommended at this time.

#### 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. Mr. Bynum next presented and reviewed an amended landscape maintenance budget from the PHOA to increase the District's monthly contribution by \$2,668.00. A copy of the budget is attached. After review and discussion, Director Yu moved to (1) approve the bookkeeper's report and the checks presented for payment; and (2) approve the amended landscape budget from PHOA for the 2019 fiscal year. Director Davis seconded the motion, which passed by unanimous vote.

Mr. Orlando introduced himself to the Board and reported that in October of 2018, Acclaim received a request from the District's engineer to add a meter for Lift Station No. 2 to the existing contract between Mid-American Powers and the District, upon further review it was determined that the meter belongs to the Brazoria County Municipal Utility District No. 40 ("MUD 40"). He stated MUD 40 has approved a Small Commercial Electricity Service Agreement which will transfer the account from the District's existing contract with Mid-American.

## ANNUAL DISCLOSURE STATEMENTS

Mr. Austin stated that in accordance with the District's Investment Policy, Shannon Taylor, as the bookkeeper, and Jorge Diaz, as 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. 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 statements be filed appropriately and retained in the District's official records. Director Nightingale seconded the motion, which passed unanimously.

## 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 2018 taxes were 58.45% collected as of December 31, 2018. After review and discussion, Director Davis moved to approve the tax assessor/collector's report and the checks presented for payment. Director Yu 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 the well ran continuously from December 5, 2018, to January 3, 2019 with SI conducting water quality tests daily. He stated the well was taken off-line on January 7, 2019 to allow Weisinger Incorporated to conduct an investigation into vibration and wear with the top bearing, and should be back online by the first week of February.

### WASTEWATER TREATMENT PLANT, PHASE 2 TO SERVE POMONA

Mr. Edwards reported on the construction of the Wastewater Treatment Plant, Phase 2 to serve Pomona. He reviewed and recommended approval of Change Order No. 1 to the contract with Gilleland Smith Construction, Inc. ("GSC"), for the construction of the Wastewater Treatment Plant, Phase 2 to serve Pomona to increase the contract in the amount of \$2,405.83. The Board determined that Change Order No. 1 is beneficial to the District. Following review and

discussion and based upon the engineers recommendation, Director Davis moved to approve Change Order No. 1 in the amount of \$2,405.83 as an increase to the contract with GSC, based upon the Board's finding that the Change Order is beneficial to the District. Director Nightingale seconded the motion, which passed by a unanimous vote.

WASTEWATER TREATMENT PLANT DISCHARGE PERMIT RENEWAL APPLICATION

Mr. Edwards reported LJA received the wastewater treatment plant discharge permit from the TCEQ, stating the new permit will expire January 2, 2024.

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.

WATER SUPPLY PLANT NO. 1, PHASE 2

Mr. Edwards updated the Board regarding the construction of the Water Supply Plant No. 1, Phase 2 expansion project. He stated the project will be completed by MUD 40 in accordance with the Joint Facilities/Cost Sharing Agreement between the District and MUD 40. Mr. Edwards reported MUD 40 awarded the project to Gemini Contracting Services in the amount of \$363,320.00.

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

Mr. Edwards updated the Board regarding the construction of water, sewer, and drainage facilities and paving to serve Pomona Parkway, Phase 3, stating the project will be completed by MUD 40 in accordance with the Joint Facilities/Cost Sharing Agreement between the District and MUD 40. Mr. Austin stated approval of the Cost Sharing Agreement between the District and MUD 40 will be deferred until the next Board meeting.

CROIX PARKWAY WATER LINE EXTENSION AND STORM SEWER OUTFALL

Mr. Edwards reported on the plans for the Croix Parkway water line extension and storm sewer outfall project. He stated the proposed project includes the extension of a water line along Croix Parkway from Pomona Parkway to the wastewater treatment plant as well as a storm sewer outfall into Mustang Bayou. Mr. Edwards stated that design is underway.

## UPDATE ON BOND APPLICATION NO. 3

Mr. Edwards updated the Board regarding Bond Application No. 3.

## LANDSCAPE ARCHITECT'S REPORT

Ms. Summers reported on landscape architect matters.

## PHASE 2B LANDSCAPE FOR POMONA, SECTIONS 7 AND 8

There was no report on this agenda item.

## DEEDS AND EASEMENTS

No deeds or easements were submitted for Board approval.

## REPORT ON DEVELOPMENT

Mr. Bynum reported on development in the District.

## ANNEXATION OF APPROXIMATELY 40 ACRES OF LAND INTO THE DISTRICT

Discussion of this item was deferred to the next meeting

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

  
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Secretary, Board of Directors

(SEAL)

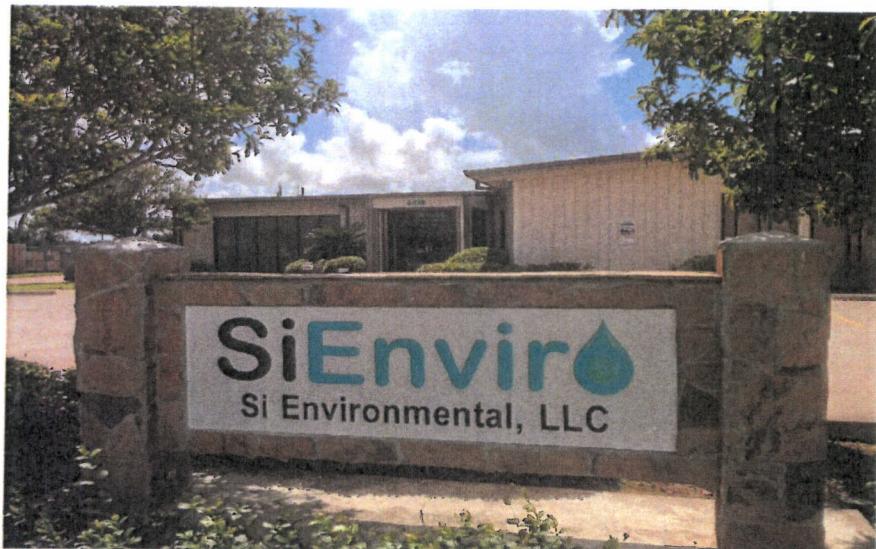


LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u>
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Operator's report .....	1
Bookkeeper's report.....	2
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Tax assessor/collector's report.....	3
Engineering report.....	3

# BRAZORIA COUNTY MUD #39

## OPERATIONS REPORT DECEMBER 2018



**SiEnviro**

# BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT #39

## MANAGEMENT REPORT

DECEMBER 2018

### I. CONNECTIONS as of DECEMBER 2018

	<u>DECEMBER 2018</u>
Occupied Single Family	356
Vacant Single Family	4
Commercial	2
Builder	149
Irrigation	10
Rental	2
District Meters	2
<b>TOTAL CONNECTIONS</b>	<b>525</b>

### II. BUILDER SERVICES \$5,844.62

Builder Services activities included in the DECEMBER invoice:

1. Installed one 3/4" irrigation meter. \$1,600
4. Completed 68 various inspections. \$4,250

### III. WATER WELL \$568.96

- The District well was offline. The District water plant was inspected daily to insure proper operation. The district was supplied 468,900 gallons via the interconnect.

Repairs and Maintenance included in the DECEMBER invoice:

1. Conducted infra red survey. \$450

### IV. WASTEWATER TREATMENT \$2,457.86

Repairs and Maintenance included in the DECEMBER invoice:

1. PM'd CL2 detector, CL2 system and blowers. \$850
2. Conducted infra red survey. \$675
3. Cleaned onsite l/s per schedule. \$900

### V. WATER DISTRIBUTION \$4,910.24

Repairs and Maintenance included in the DECEMBER invoice:

1. Replaced 3 meters and meter boxes. \$1,200
  - 2324 Yaupon Park Ln
  - 4815 Mesquite Terrace Dr
  - 2710 Cypress Woods Ln
2. Replaced concrete and landscaped after irrigation tap installations. \$2,025
  - 2300 Ridgewood Manor Ct
  - 4509 Cypress Manor Ct

**VI. STORM SEWER \$0.00**

Repairs and Maintenance included in the DECEMBER invoice:

1. No issues.

**VII. SANITARY SEWER \$232.89**

Repairs and Maintenance included in the DECEMBER invoice:

1. 4602 Birch Knoll Trails - Repaired manhole per inspection. Back charged. \$250

**VII. LIFT STATION \$0.00**

Repairs and Maintenance included in the DECEMBER invoice:

1. No issues.

# BRAZORIA COUNTY MUD #39

## CONNECTION REPORT

DECEMBER 2018

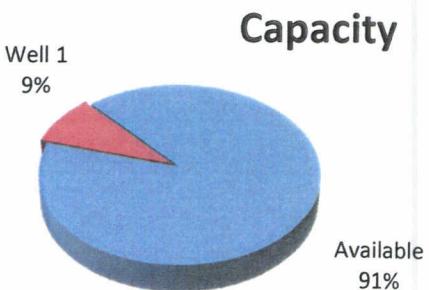
<b>CONNECTIONS</b>	<b>DEC 1 2018</b>	<b>NOV 1 2018</b>	<b>OCT 1 2018</b>
Occupied Single Family	383	356	340
Vacant Single Family	2	4	4
Multi - Family	0	0	0
Commercial	2	2	2
Builder	133	149	160
Irrigation	13	10	10
Rental Meters	2	2	3
District Meters	2	2	2
<b>TOTAL CONNECTIONS</b>	<b>537</b>	<b>525</b>	<b>521</b>

**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT #39**  
**PRODUCTION REPORT DECEMBER 2018**

PUMPAGE X 100 GALS							
Date	Well 1	Total	Capacity	Purch	From	Sold	To
1	2,789	2,789	12.0%	16			
2	2,109	2,109	9.1%	16			
3	2,113	2,113	9.1%	13			
4	2,133	2,133	9.2%	25			
5	1,980	1,980	8.5%	26			
6	2,144	2,144	9.2%	22			
7	1,929	1,929	8.3%	18			
8	2,660	2,660	11.4%	17			
9	2,010	2,010	8.6%	20			
10	1,965	1,965	8.4%	10			
11	2,434	2,434	10.5%	18			
12	2,027	2,027	8.7%	9			
13	2,279	2,279	9.8%	9			
14	2,515	2,515	10.8%	15			
15	1,632	1,632	7.0%	8			
16	2,317	2,317	10.0%	11			
17	1,918	1,918	8.2%	12			
18	2,482	2,482	10.7%	13			
19	966	966	4.2%	9			
20	1,756	1,756	7.6%	11			
21	2,131	2,131	9.2%	10			
22	2,131	2,131	9.2%	10			
23	2,132	2,132	9.2%	10			
24	2,408	2,408	10.4%	8			
25	1,802	1,802	7.7%	14			
26	2,486	2,486	10.7%	11			
27	1,609	1,609	6.9%	8			
28	2,324	2,324	10.0%	9			
29	1,952	1,952	8.4%	10			
30	2,144	2,144	9.2%	14			
31	1,880	1,880	8.1%	13			
<b>TOTAL:</b>	<b>65,157</b>	<b>65,157</b>		<b>415</b>			

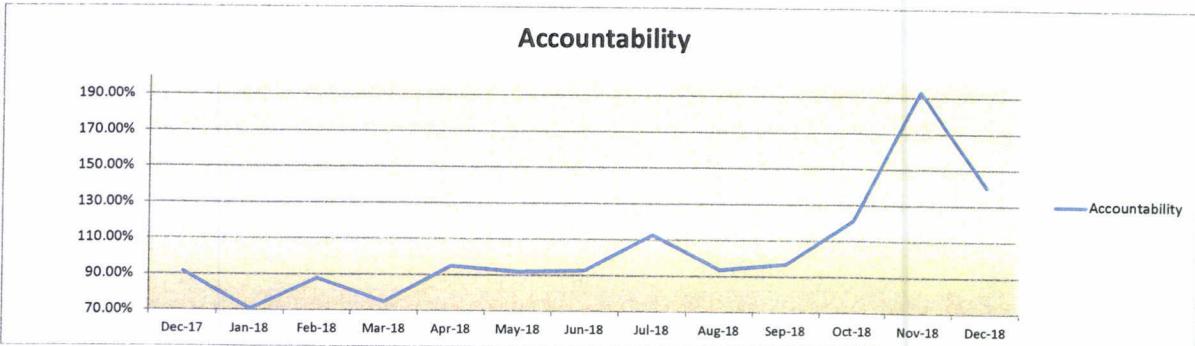
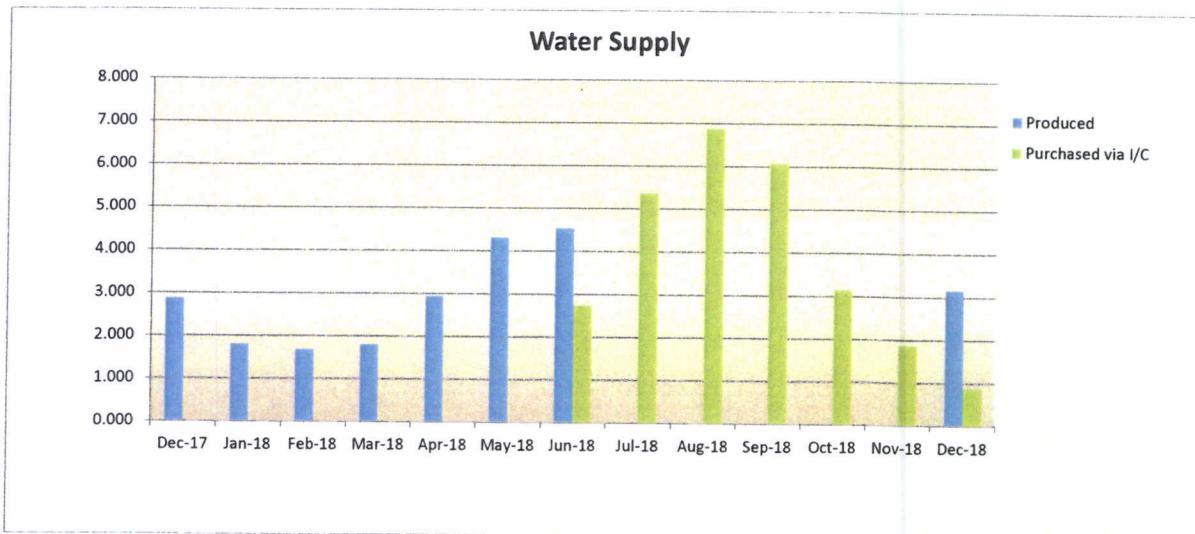
PERMIT AMOUNT	PERMIT TERM 2/1/18 - 1/31/19	GALLONS PUMPED	PERMIT USED	MONTHS	
				PROJ	AVAIL
60,000	x 1,000 gallons	86,118	144%	-3	1

WATER WELL #	PRODUCT TEST	GPM	DAILY CAPACITY
1	12/6/17	1615	2,326
<b>TOTAL</b>			<b>2,326</b>



## BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT #39

Month	Billing Period	Produced	Purchased via I/C	Total Supplied	Metered	Water Sold			Repairs	Accountability	Four month average
						via I/C	Unmetered	Water Sold			
Dec-17	10/31/17 - 12/02/17	2.873	0.000	2.873	2.417	0.000	0.216	0.000	91.65%	91.50%	
Jan-18	12/03/17 - 12/29/17	1.805	0.000	1.805	1.212	0.000	0.066	0.000	70.80%	94.15%	
Feb-18	12/30/17 - 01/30/18	1.687	0.000	1.687	1.448	0.000	0.036	0.000	87.97%	84.75%	
Mar-18	01/31/18 - 03/01/18	1.811	0.000	1.811	1.291	0.000	0.069	0.000	75.10%	81.38%	
Apr-18	03/02/18 - 03/29/18	2.947	0.000	2.947	2.550	0.000	0.250	0.000	95.01%	82.22%	
May-18	03/30/18 - 04/30/18	4.318	0.000	4.318	3.614	0.000	0.363	0.000	92.10%	87.54%	
Jun-18	05/01/18 - 05/31/18	4.543	2.744	7.287	4.712	0.000	2.065	0.000	93.00%	88.80%	
Jul-18	06/01/2018 - 06/29/18	0.000	5.372	5.372	6.052	0.000	0.000	0.000	112.66%	98.19%	
Aug-18	06/30/18 - 07/31/18	0.000	6.881	6.881	6.357	0.000	0.090	0.000	93.69%	97.86%	
Sep-18	08/01/18 - 08/30/18	0.000	6.088	6.088	5.883	0.000	0.023	0.000	97.01%	99.09%	
Oct-18	08/31/18 - 09/27/18	0.000	3.160	3.160	3.777	0.000	0.060	0.000	121.42%	106.20%	
Nov-18	09/28/18 - 10/30/18	0.000	1.869	1.869	3.559	0.000	0.051	0.000	193.15%	126.32%	
Dec-18	10/31/18 - 11/29/18	3.163	0.884	4.047	2.482	0.000	3.196	0.000	140.30%	137.97%	



## BRAZORIA COUNTY MUD #39

DECEMBER 2018

### OPERATIONS CHARGES

1. Operations Fees	\$2,326.93
2. Builder Service	\$5,844.62
3. Administrative Charges	\$1,728.48
4. Lift Station	\$0.00
5. Sanitary Sewer	\$232.89
6. Wastewater Treatment Plant	\$2,457.86
7. Water Distribution	\$4,910.24
8. Water Well	<u>\$568.96</u>
<b>TOTAL OPERATION CHARGES</b>	<b>\$18,069.98</b>

# CUSTOMER BILLING REPORT

## BRAZORIA COUNTY MUD 39

METER READ DATES: OCTOBER 31ST - NOVEMBER 29TH, 2018

TOTAL USAGE BILLED: 2,482,400 GALLONS

### TOTAL AMOUNT BILLED

WATER:	\$17,899.14
SEWER:	\$23,047.86
RWA:	\$74.68
GREASE TRAP:	\$60.00
DEPOSIT:	\$4,500.00
TRANSFER FEES:	\$1,035.00
MISC.:	\$300.00

TOTAL CURRENT CHARGES: \$46,916.68

TOTAL PENALTIES BILLED: \$1,256.90

### AGED RECEIVABLES

30 DAYS:	\$5,559.59
60 DAYS:	\$4,510.65
90 DAYS:	\$2,744.76
120 DAYS:	\$4,404.89
LESS APPLIED OVERPAYMENTS:	-\$1,733.95

TOTAL AGED RECEIVABLES: \$15,485.94

CREDIT BALANCE FORWARD: -\$1,124.51

TOTAL AGED RECEIVABLES: \$14,361.43

DEPOSIT LIABILITY: \$66,175.00

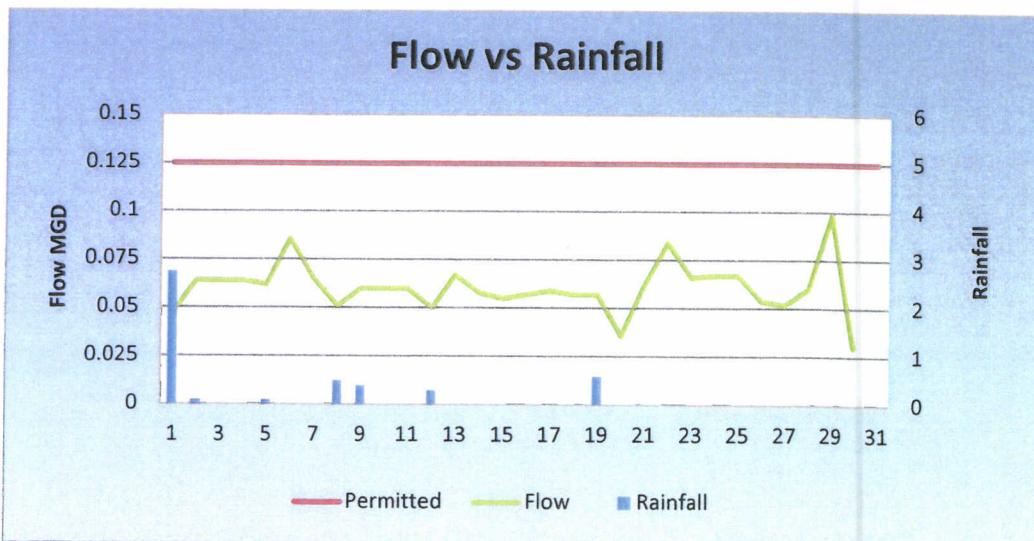
**BRAZORIA COUNTY MUD 39**  
**WASTEWATER TREATMENT PLANT**

Permit # 14641-001  
 Expires: 11/1/2018

Design: 0.125 MGD  
 Utilized 48.8%

PARAMETER	UNITS	PERMIT LIMITS	Nov-18 RESULTS	EXCURSION
Dissolved Oxygen:	Min	mg / l	4.0	6.9
pH:	Min	S.U.	6.0	6.9
	Max	S.U.	9.0	7.3
Total Suspended Solids:	Avg	lbs / day	16.0	3.9
	Avg	mg / l	15.0	7.7
	Max	mg / l	60.0	8.8
Ammonia:	Avg	lbs / day	3.1	0.1
	Avg	mg / l	3.0	0.1
	Max	mg / l	15.0	0.1
Flow:	Avg	M.G.D.	0.125	0.061
2-Hour Peak Flow:	Max	M.G.D.	0.500	0.099
Chlorine:	Min	mg / l	1.0	1.0
	Max	mg / l	4.0	2.8
E.coli:	Avg	CFU/100mL	126	1
	Max	CFU/100mL	399	1
CBOD:	Avg	lbs / day	10.0	1.7
	Avg	mg / l	10.0	3.3
	Max	mg / l	35.0	5.2

Permit Excursions:	0	Sanitary Sewer Overflows:	0
Rainfall:	4.75	SSO Gallons:	0



*Brazoria County Mud #39*

*Cash Report Summary*

*12/19/18 to 01/22/19*

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND
<b>BEGINNING BALANCE</b>	\$ 35,314.02	\$ 0.36	\$ 7,893.40
<b>RECEIPTS - SEE PAGE 2</b>	522,153.33	15,003.58	0.97
<b>DISBURSEMENTS - SEE PAGE 3</b>	501,244.60	1,603.58	0.97
<b>CURRENT CASH BALANCE</b>	\$ 56,222.75	\$ 13,400.36	\$ 7,893.40
<b>CURRENT INVESTMENTS</b>	436,608.75	205,486.06	958,750.47
<b>CURRENT BALANCE</b>	<u>\$ 492,831.50</u>	<u>\$ 218,886.42</u>	<u>\$ 966,643.87</u>
<b>WS&amp;D CASH BALANCE</b>		\$182,763.72	
<b>ROADS CASH BALANCE</b>		36,122.70	
		\$218,886.42	

General Fund MM  
Capital Projects Fund MM  
Debt Service Fund MM

Compass Bank  
Compass Bank  
Compass Bank

Account No. xxxxxxx0739  
Account No. xxxxxxx6221  
Account No. Xxxxxxx5853

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**Brazoria County Mud #39****Cash Receipts**

12/19/18 to 01/22/19

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND
INTEREST	\$ 25.67	\$ 3.58	\$ 0.97
INVESTMENT PROCEEDS	-	-	-
TRANSFER FROM TEXPOOL TO COMPASS	-	15,000.00	-
WS&D BAN 2018 PROCEEDS	-	-	-
TAX TRANSFERS - ROAD BONDS	-	-	-
MT TAX TRANSFERS	465,247.09	-	-
REIMBURSEMENT FROM CPF	-	-	-
CUSTOMER A / R 10/18	-	-	-
CUSTOMER A / R 11/18	-	-	-
WATER REVENUE	16,618.28	-	-
SEWER REVENUE	22,545.41	-	-
SURFACE WATER FEE	77.40	-	-
PENALTY	676.65	-	-
CUSTOMER DEPOSITS	4,096.86	-	-
GARBAGE REVENUE	-	-	-
GREASE TRAP INSPECTION	-	-	-
SALES TAX	-	-	-
RECONNECT	75.00	-	-
TRANSFER FEES	900.00	-	-
V.F.D.	-	-	-
TAP FEES	8,895.00	-	-
ACH TRANSFER FEE	-	-	-
NSF FEES	-	-	-
SWR INSPEC FEES	-	-	-
B INSPEC FEES	1,995.97	-	-
CS INSPECTION	700.00	-	-
BUILDER DAMAGES	-	-	-
RENTAL METER FEE	300.00	-	-
SERVICE ORDER - CSI	-	-	-
<b>TOTAL RECEIPTS</b>	<b>\$ 522,153.33</b>	<b>\$ 15,003.58</b>	<b>\$ 0.97</b>

# Brazoria County Mud #39

## Cash Receipts

12/19/18 to 01/22/19

### DEVELOPER OPERATING ADVANCES:

2006 Mustang Creek Development, Inc	3/26/2007	\$	10,000.00
2006 Mustang Creek Development, Inc	4/4/07	\$	20,000.00
2006 Mustang Creek Development, Inc	4/27/07	\$	12,500.00
2006 Mustang Creek Development, Inc	5/17/07	\$	12,000.00
2006 Mustang Creek Development, Inc	9/20/07	\$	23,000.00
2006 Mustang Creek Development, Inc	2/11/08	\$	31,000.00
2006 Mustang Creek Development, Inc	2/1/11	\$	2,980.00
2006 Mustang Creek Development, Inc	9/30/11	\$	2,983.00
<b>TOTAL</b>		<b>\$</b>	<b>114,463.00</b>
MC 288, LLC	11/14/13	\$	8,000.00
MC 288, LLC	12/31/13	\$	88,000.00
MC 288, LLC	3/7/14	\$	33,000.00
MC 288, LLC	3/14/14	\$	17,000.00
MC 288, LLC	4/30/14	\$	37,000.00
MC 288, LLC	6/12/14	\$	28,000.00
MC 288, LLC	8/12/14	\$	40,000.00
MC 288, LLC	10/7/14	\$	62,000.00
MC 288, LLC	12/8/14	\$	13,000.00
MC 288, LLC	2/20/15	\$	20,400.00
MC 288, LLC	4/1/15	\$	11,000.00
MC 288, LLC	5/15/15	\$	17,000.00
MC 288, LLC	6/2/15	\$	6,000.00
MC 288, LLC	7/15/17	\$	23,001.00
MC 288, LLC	8/4/15	\$	3,001.00
MC 288, LLC	9/14/15	\$	31,001.00
MC 288, LLC	10/26/15	\$	21,001.00
MC 288, LLC	11/30/15	\$	16,001.00
MC 288, LLC	1/31/16	\$	32,002.00
TO RECORD LUMP SUM LEASE PYMT PD BY DEV PER AUITOR		\$	85,000.00
MC 288, LLC	7/26/16	\$	30,980.32
MC 288, LLC	8/15/16	\$	16,003.00
MC 288, LLC	11/9/16	\$	122,004.00
MC 288, LLC	6/28/18	\$	(114,463.00)
<b>TOTAL</b>		<b>\$</b>	<b>645,931.32</b>

### DEVELOPER ADVANCES FOR STP LEASE PAYMENTS:

MC 288, LLC	6/19/15	\$	8,999.00
MC 288, LLC	8/4/15	\$	8,999.00
MC 288, LLC	9/14/15	\$	8,999.00
MC 288, LLC	10/26/15	\$	8,999.00
MC 288, LLC	11/30/15	\$	8,999.00
MC 288, LLC	1/31/16	\$	17,998.00
MC 288, LLC	8/15/16	\$	26,997.00
MC 288, LLC	11/9/16	\$	35,996.00
<b>TOTAL</b>		<b>\$</b>	<b>125,986.00</b>

**Brazoria County Mud #39**

**Cash Disbursements**

01/22/19

**GENERAL FUND**

Check	Payee	Description	Amount
*	2052 Texas Pride Disposal	Garbage Services 11/18	4,119.71
*	2053 Texas Pride Disposal	Garbage Services 12/18	4,119.71
*	2054 AT&T	281 692-9382 833 2 Svc: 12/7/18-1/6/19	31.28
P	2055 AT&T	281 692-9382 833 2 Svc	Unused .
*	2056 AT&T	281 692-9391 855 4 Svc: 12/7/18-1/6/19	65.66
P	2057 AT&T	281 692-9391 855 4	Unused .
*	2061 Constellation NewEnergy, Inc.	169363.36	1,513.39
*	2063 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 356346	140.01
*	2065 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 345239	357.79
*	2067 MidAmerican Energy Services, LLC	4554 Croix Pkwy Acct# 339735:	1,414.78
*	2069 MidAmerican Energy Services, LLC	4063 Big Island Acct# 339736	4,051.93
*	2071 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 432535	23.54
*	2073 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 432536	207.24
*	2075 MidAmerican Energy Services, LLC	36122.7	47.42
2092	Allen Boone Humphries Robinson LLP	Legal Services-General thru 1/4/19	3,542.21
2093	LJA Engineering	Engr-General Services thru 11/30/18	755.38
2094	LJA Engineering	Engr-General Services thru 12/31/18	706.72
2095	LJA Engineering	Engr-WWTP Discharge Permit Renewal 2017 thru 11/30/18	1,715.82
2096	LJA Engineering	Engr- GIS Monthly Service Fee thru 12/31/18	500.00
2097	Si Environmental LLC	Operations, R/M, Exps, (1) Tap 12/18	18,069.98
2098	McLennan & Associates	Bkkgp/Exp/PR/Add'l 12/18	1,449.33
2099	Gaylord Investment Company, Inc	WWTP Lease Agreement 3/19	8,999.00
2100	Envirodyne Laboratories, Inc	Lab Fees 11/18	1,205.00
2101	DXI Industries, Inc	Chemicals 11/30/18	120.00
2102	Seaback Maintenance, Inc	Mowed WP & STP 11/18, 12/18	1,725.00
2103	Brazoria County MUD No. 25	Water: Kirby & Southfork Pkwy 10/30 - 11/29	8,458.75
2104	Jenni Gee	Deposit Less Final - 2349 Olive Forest LN	144.68
2105	Highland Homes	Deposit/Overpayment - 2408 Yaupon Park LN	241.68
P	2106 AT&T	281 692-9382 833 2 Svc	.
P	2107 AT&T	281 692-9391 855 4	.
P	2108 Gaylord Investment Company, Inc	WWTP Lease Agreement 4/19	.
P	2109 Constellation NewEnergy, Inc.	2343 Morris County Rd. 566 Acct# 10306174	.
P	2110 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 356346	.
P	2111 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 345239	.
P	2112 MidAmerican Energy Services, LLC	4554 Croix Pkwy Acct# 339735	.
P	2113 MidAmerican Energy Services, LLC	4063 Big Island Acct# 339736	.
P	2114 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 432535	.
P	2115 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 432536	.
P	2116 MidAmerican Energy Services, LLC	2343 Morris County Rd. 566 Acct# 432537	.
P	2117 Texas Commission on Environmental Quality	Rev / Reg Assessment FY19	.
P	2118 Texas Pride Disposal	Garbage Services 1/19	.
P	2119 LJA Engineering	Engr - WSD Bond Application No.3 thru 11/30/18 (DUE FROM CPF)	1,472.14

**Brazoria County Mud #39**

**Cash Disbursements**

01/22/19

**GENERAL FUND**

<b>Check Payee</b>	<b>Description</b>	<b>Amount</b>
-DM- Compass Bank	Return Items:	
-DM- Compass Bank	Service Charge: 12/18	18.00
-DM- ADP, Inc.	ADP- Payroll Administration -12/18	249.24
-DM- IRS	IRS - P/R Taxes -12/18	91.82
-DM- Nancy L. Davis	Director Fees: 12/18/18	144.53
-DM- Dana K. Hollingsworth	Director Fees: 12/18/18	155.97
-DM- MikeYu	Director Fees: 12/18/18	138.52
-DM- Danny A. Traylor	Director Fees: 12/18/18	
-WT- Compass Bank	Transfer to Texpool: 01/23/19	435,074.99
<b>TOTAL GENERAL FUND DISBURSEMENTS</b>		<b>501,244.60</b>

\* Indicates check(s) written at the last meeting  
P Indicates check(s) pending completion

**Brazoria County Mud #39**  
**Cash Disbursements, Continued**

01/22/19

<b>CAPITAL PROJECTS FUND</b>			
<b>Check</b>	<b>Payee</b>	<b>Description</b>	<b>Amount</b>
1065	McGrath & Co., PLLC	Final Billing - Dev Reim from Bond Series 2018	1,500.00

**Other:**

-DM-	Compass Bank	Service Charge: 12/18	3.58
-DM-	Compass Bank	Check #1062 correction	100.00

**TOTAL CAPITAL PROJECTS FUND DISBURSEMENTS**      **\$ 1,603.58**

**DEBT SERVICE FUND**

<b>Check</b>	<b>Payee</b>	<b>Description</b>	<b>Amount</b>

**Other:**

-DM-	Compass Bank	Service Charge: 12/18	0.97
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**TOTAL DEBT SERVICE FUND DISBURSEMENTS**      **\$ 0.97**

**Brazoria County Mud #39**

*Schedule of Investments*

01/22/19

BANK	INVESTMENT #	RATE	PURCHASE	MATURE	AMOUNT
<b>GENERAL FUND</b>					
Texpool	79480/7948000001	2.2872%	01/22/19		\$ 436,608.75
<b>Activity After Month End:</b>					
Balance 12/31/18	\$ 1,533.76				
Transfer from Compass 01/23/19	\$ (435,074.99)				
<b>New Balance</b>	<b>\$ 436,608.75</b>				
<b>TOTAL GENERAL FUND</b> (Investment Interest Earned 12/2018 = \$2.94 )					
<b>CAPITAL PROJECTS FUND</b>					
Texpool- CPF- WS&D	79480/7948000002	2.2872%	01/22/19		\$ 169,363.36
Texpool- CPF Roads	79480/7948000003	2.2872%	01/22/19		\$ 36,122.70
<b>Balance as of 12/31/18: WS&amp;D</b> \$ 184,363.36					
<b>Balance as of 12/31/18: Roads</b> \$ 54,970.58					
Transfer to checking 1/22/19	(15,000.00)				
Transfer to DSF Roads: 1/22/19	(18,847.88)				
Tax Transfer to CPF-Roads 1/11/19	(272,553.06)				
Transfer to DSF Roads: 1/23/19	272,553.06				
<b>Total Current Balance as of 1/22/19</b>	<b>\$ 205,486.06</b>				
<b>TOTAL CAPITAL PROJECTS FUND</b> (Investment Interest Earned 12/2018 = \$421.06 )					
<b>DEBT SERVICE FUND</b>					
Texpool - WS&D	79480/7948000004	2.2872%	01/22/19		\$ 348,653.08
Texpool- DSF Roads	79480/7948000005	2.2872%	01/22/19		\$ 610,097.39
<b>WS&amp;D Balance as of 12/31/18</b> \$ 248,653.08					
<b>Roads Balance as of 12/31/18</b> \$ 318,696.45					
Transfer from CPF Roads to DSF Roads 1/22/19	18,847.88				
Transfer from CPF-Roads to DSF Roads 1/23/19	272,553.06				
Tax Transfer to DSF Roads: 1/11/19	100,000.00				
<b>Total Current Balance as of 1/22/19</b>	<b>\$ 958,750.47</b>				
<b>TOTAL DEBT SERVICE FUND</b> (Investment Interest Earned 12/2018 = \$1,099.93 )					
<b>TOTAL INVESTMENTS, ALL FUNDS</b>					
<b>DEBT SERVICE REQUIREMENTS</b>					
	03/01/19	09/01/19	03/01/20	09/01/20	
<b>SERIES 2016</b>					
PRINCIPAL		125,000.00		130,000.00	
INTEREST	83,626.25	83,626.25	82,376.25	82,376.25	
<b>SERIES 2017</b>					
PRINCIPAL		50,000.00		55,000.00	
INTEREST	34,287.50	34,287.50	33,787.50	33,787.50	
<b>SERIES 2017 Road</b>					
PRINCIPAL		85,000.00		90,000.00	
INTEREST	55,573.13	55,573.13	54,850.63	54,850.63	
<b>SERIES 2018</b>					
PRINCIPAL			105,000.00		
INTEREST	127,415.63	84,943.75	84,943.75	84,943.75	
<b>TOTALS</b>	<b>300,902.51</b>	<b>518,430.63</b>	<b>255,958.13</b>	<b>635,958.13</b>	
<b>ANNUALS</b>	<b>2019 = \$ 819,333.14</b>		<b>2020 = \$ 891,916.26</b>		
Note: Above amounts do not include Paying Agent Fees.					
Note: Shaded area indicates payments have been made.					

## Brazoria County Mud #39

### Investment Report

12/01/18 to 12/31/18

BANK	INVESTMENT NUMBER	TYPE*	RATE	PURCHASE	MATURE	AMOUNT	INVESTMENT MARKET VALUE
<b>GENERAL FUND</b>							
Texpool	79480/7948000001		2.2872%	12/31/2018		\$ 1,533.76	\$ 1,533.76
Beginning Balance	\$ 1,530.82						
Interest	2.94						
Withdrawals	*						
Additions	*						
	<b>\$ 1,533.76</b>						
<b>TOTAL GENERAL FUND</b>						<b>\$ 1,533.76</b>	<b>\$ 1,533.76</b>
<b>CAPITAL PROJECTS FUND</b>							
Texpool- CPF- WS&D	79480/7948000002		2.2872%	12/31/18		184,363.36	184,363.36
Texpool- CPF Roads	79480/7948000003		2.2872%	12/31/18		54,970.58	54,970.58
Beginning Balance	\$ 189,831.65						
Interest	421.06						
Withdrawals	(5,691.28)				Transfer from WS&D to Roads: 12/18/18		
Additions	5,691.28				Transfer to Roads from WS&D : 12/18/18		
Additions	30,233.35				Transfer from Compass to Roads: 12/18/18		
Additions	18,847.88				Tax Transfer to Roads: 12/11/18		
	<b>\$ 239,333.94</b>					<b>\$ 239,333.94</b>	<b>\$ 239,333.94</b>
<b>TOTAL CAPITAL PROJECTS FUND</b>						<b>\$ 239,333.94</b>	<b>\$ 239,333.94</b>
<b>DEBT SERVICE FUND</b>							
Texpool - WS&D	79480/7948000004		2.2872%	12/31/18		\$ 248,653.08	\$ 248,653.08
Texpool- DSF Roads	79480/7948000005		2.2872%	12/31/18		318,696.45	318,696.45
Beginning Balance	\$ 566,249.60						
Interest	1,099.93						
Withdrawals	*						
Additions	*						
	<b>\$ 567,349.53</b>						
<b>TOTAL DEBT SERVICE FUND</b>						<b>\$ 567,349.53</b>	<b>\$ 567,349.53</b>

The District's Investments are in compliance with the investment strategy as expressed in the Investment Policy and with the relevant provisions of Chapter 2256 of the Texas Government Code. Further, they comply with Generally Accepted Accounting Principles.

I, Jorge Diaz, hereby certify that, pursuant to Senate Bill 253 and in connection with the preparation of this Investment Report, I have reviewed the investment lists prepared and maintained by the Texas Comptroller of Public Accounts and the District does not own direct or indirect holdings in any companies identified on such lists.

\*TYPE A= Certificate of Deposit  
 \*TYPE B= Direct Government Obligation  
 \*TYPE C= Public Fund Investment Pool  
 \*TYPE D= Other

INVESTMENT OFFICER - Jorge Diaz

DISTRICT BOOKKEEPER - Shannon Taylor

**Brazoria County Mud #39**  
**Investment Report, Continued**  
**12/01/18 to 12/31/18**

**Pledged Securities**

BANK: Compass Bank

Security/Description	Par Value	Market Value @ 12/31/18	Current Deposits
FHLB-A-LO CH 125767 05/08/2019	\$ 700,000.00	\$ 700,000.00	
Plus FDIC Insurance	257,893.40	257,893.40	
<b>Total Pledged</b>	<b>\$ 957,893.40</b>	<b>\$ 957,893.40</b>	<b>\$ 236,362.47</b>

BANK:

Security/Description	Par Value	Market Value @ 12/31/18	Current Deposits
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**COMPLIANCE TRAINING**

HB675 states that the Investment Officer must attend at least one training seminar for six (6) hours within twelve months of taking office and requires at least four (4) hours of training within each two year period thereafter.

	Investment Officer	Treasurer	Bookkeeper
Name	Jorge Diaz	Same	MCLENNAN & ASSOC, LP
Date Assumed Office	3/3/2017		3/22/2005
Completed Training	10/17/15 McCall (6Hrs) 06/23/16 UNT (4Hrs) 10/29/16 McCall (6Hrs) 10/27/18 McCall (6Hrs)		1995-2001 Various (48 Hrs) 11/20/03 TAC ( 6 Hrs) 10/01/05 McCall ( 6 Hrs) 06/21/07 UNT ( 4 Hrs) 06/18/09 UNT ( 4 Hrs) 1/30/12 Txpl Academy (4 Hrs) 06/12/14 UNT ( 6 Hrs) 10/17/15 McCall ( 6 Hrs) 06/23/16 UNT ( 4 Hrs) 10/27/16 McCall ( 36 Hrs) 10/27/16 McCall ( 6 Hrs) 10/27/18 McCall ( 6 Hrs)

**METHODS USED FOR REPORTING MARKET VALUES**

Certificate of Deposit:  
 Securities/Direct Government Obligations:  
 Public Fund Investment Pool/MM Accounts:

Face Value plus accrued interest.  
 Current face value multiplied by the  
 net selling price quoted by the broker  
 Valued at current book value

**APPROVED BROKERS**

J.P. Morgan Trust Co., N.A.  
 Compass Bank

**Brazoria County Mud #39**  
**Cash Analysis, Capital Projects Fund**

01/22/19

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	<b>Beginning Balance</b>	\$
Plus:	Road Bond Proceeds - Series 2016	4,509,471
	BAN Proceeds- Series 2016	-
	Bond Proceeds - Series 2017	2,070,000
	Road Bond Proceeds - Series 2017	3,295,000
	BAN Proceeds- Series 2017	2,820,000
	BOND Proceeds- Series 2018	4,410,000
	Road Bond Proceeds - Series 2018	2,630,000
	WS&D BAN Proceeds- Series 2018	<u>2,340,000</u>
	Interest Earnings	1,842
Less:	Disbursements - Road Bond Series 2016 - Attached	(4,509,471)
	Disbursements - BAN Series 2016 - Attached	-
	Disbursements - Bond Series 2017	(2,061,013)
	Disbursements - Road Bond Series 2017 - Attached	(3,294,115)
	Disbursements - BAN Series 2017 - Attached	(2,820,000)
	Disbursements - Road Bond Series 2018 - Attached	(2,594,897)
	BOND Proceeds- Series 2018	(4,244,134)
	WS&D BAN Proceeds- Series 2018	<u>(2,333,797)</u>
01/22/19	<b>Cash Balance</b>	<u>\$ 218,885</u>
	Cash in Bank Investments	13,400 <u>205,486</u>
01/22/19	<b>Cash Balance</b>	<u>\$ 218,885</u>
 <b>Breakdown of Balance</b>		
	WS&D Interest Earnings	1,707
	CPF- ROAD Interest Earnings	134
	Road Bond Proceeds - Series 2016	(0)
	BAN - Series 2016	-
	Bond Series 2017	8,987
	Road Bond Proceeds - Series 2017	885
	BAN - Series 2017	-
	BOND Proceeds- Series 2018	165,866
	Road Bond Proceeds - Series 2018	35,103
	WS&D BAN Proceeds- Series 2018	<u>6,203</u>
	Contract Tax Transfer to DSF Road	-
	 <b>Cash Balance</b>	 <u>\$ 218,885</u>

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**Brazoria County Mud #39**  
**Recap, Expenditure of Bond Proceeds 2017 WS&D**

**\$2,070,000**

01/22/19

DESCRIPTION	APPROVED AMOUNT	EXPENDED AMOUNT	(OVER) UNDER ESTIMATE
Approved Amount	\$ 2,070,000		
<b>Construction Costs</b>			
<b><u>District Items</u></b>			
Water Well	1,027,430	1,027,430	
Water Well Services	59,275	59,275	
Water Well TV inspection	2,500	2,500	
Land Cost: Water Supply Plant No. 1	48,719	46,365	2,354
Engineering and Testing (22.66% of item 1)	232,857	232,857	
<b>Non-Construction Cost</b>			
Legal Fees (3.0%)	62,100	62,100	
Financial Advisory Fees (2.0%)	41,400	41,400	
Interest Costs			
Bond Anticipation Note Interest	23,750	15,942	7,808
Developer Interest	271,225	269,635	1,590
Bond Issuance Expenses	47,621	84,553	(36,932)
BAN Issuance Costs	40,453	29,198	11,255
Bond Application Report Costs	45,000	51,838	(6,838)
Attorney General's Fee (0.10%)	2,070	2,070	
TCEQ Bond Issuance Fee (0.25%)	5,175	5,175	
<b>Total Construction Fund</b>	<b>\$ 1,909,575</b>	<b>\$ 1,930,338</b>	<b>\$ (20,763)</b>
Capitalized Interest	98,325	68,575	29,750
Bond Discount	62,100	62,100	
	<b>\$ 160,425</b>	<b>\$ 130,675</b>	<b>\$ 29,750</b>
<b>Total Debt Service Fund</b>	<b>\$ 2,070,000</b>	<b>\$ 2,061,013</b>	<b>\$ 8,987</b>

**Brazoria County Mud #39**  
*Recap, Expenditure of Bond Proceeds*  
**\$ 3,295,000 Series 2017 Road Bonds**  
 01/22/19

DESCRIPTION	APPROVED AMOUNT	EXPENDED AMOUNT	(OVER) UNDER ESTIMATE
Approved Amount	\$ 3,295,000		
<b>Construction Costs</b>			
<u>Developer Contribution Items</u>			
Pomona Section 2	878,222	878,222	-
Pomona Section 3	632,150	632,150	-
Country Road 101 Bridge Over SH 288	618,378	668,815	(50,437)
Engineering and Testing	225,052	227,994	(2,942)
<u>Districts Items</u>			
Land Acquisitions			-
Pomona Section 2 Right of Way	85,559	128,227	(42,668)
Pomona Section 3 Right of Way	64,160	96,155	(31,995)
<b>Non-Construction Cost</b>			
Legal Fees	97,375	97,375	-
Financial Advisory Fees	65,900	65,900	-
Developer Interest	293,359	209,053	84,306
Bond Issuance Expenses	35,000	34,540	460
Attorney General's Fee	3,295	3,295	-
Contingency	44,161	-	44,161
<b>Total Construction Fund</b>	<b>\$ 3,042,611</b>	<b>\$ 3,041,726</b>	<b>\$ 885</b>
Capitalized Interest	166,719	166,719	-
Bond Discount	85,670	85,670	-
<b>Total Debt Service Fund</b>	<b>\$ 252,389</b>	<b>\$ 252,389</b>	<b>\$ -</b>
<b>Total</b>	<b>\$ 3,295,000</b>	<b>\$ 3,294,115</b>	<b>\$ 885</b>

**Brazoria County Mud #39**  
**Recap, Expenditure of Bond Proceeds 2018 WS&D**

**\$4,410,000**

01/22/19

DESCRIPTION	APPROVED AMOUNT	EXPENDED AMOUNT	(OVER) UNDER ESTIMATE
<b>Approved Amount</b>	<b>\$ 4,410,000</b>		
<b><u>District Items</u></b>			
Water Supply Plant No. 1	1,065,969	1,065,969	
Water Line Interconnect	262,976	262,976	
Lift Station No. 1 & WWTP Phase 1	1,376,520	1,376,520	
Engineering and Testing	216,635	216,635	
Special Engineering Reports	19,567	19,567	
Storm Water Pollution Prevention	15,433	15,433	
Land Acquisition	91,544	87,772	3,772
<b><u>Non-Construction Cost</u></b>			
Legal Fees (3.0%)	125,250	125,250	
Financial Advisory Fees (2.0%)	88,200	88,200	
Bond Anticipation Note Interest	63,450	35,047	28,403
Developer Interest	428,415	364,159	64,256
Bond Discount	-		
Bond Issuance Expenses	36,203	23,703	12,500
Bond Anticipation Note Expenses	67,700	65,950	1,750
Bond Application Report Costs	45,000	18,917	26,083
District Creation Costs	46,490	46,490	
Operating Advances	114,463	114,463	
Attorney General's Fee (0.10%)	4,410	4,410	
TCEQ Bond Issuance Fee (0.25%)	11,025	11,025	
<b>Total Construction Fund</b>	<b>\$ 4,079,250</b>	<b>\$ 3,942,487</b>	<b>\$ 136,763</b>
Capitalized Interest	198,450	169,888	28,563
Bond Discount	132,300	131,760	540
	<b>\$ 330,750</b>	<b>\$ 301,648</b>	<b>\$ 29,103</b>
<b>Total Debt Service Fund</b>	<b>\$ 4,410,000</b>	<b>\$ 4,244,134</b>	<b>\$ 165,866</b>

**Brazoria County Mud #39**  
**Recap, Expenditure of Bond Proceeds 2018**  
**2,630,000 Series 2018 Tax Road Bonds**  
**01/22/19**

DESCRIPTION	APPROVED AMOUNT	EXPENDED AMOUNT	(OVER) UNDER ESTIMATE
Approved Amount	\$ 2,630,000		
<b><u>Construction Costs</u></b>			
Pamona Section 4 Paving	931,277	931,277	
Pamona Section 5 Paving	530,488	530,488	
County Road 101 Bridge over State Highway 288	100,510	100,510	
Engineering, Surveying, Geotechnical and CPS (	264,954	264,954	
Land Costs			
1. Pamona Section 4	184,254	177,459	6,795
2. Pamona Section 5	95,852	92,271	3,581
<b><u>Non-Construction Cost</u></b>			
Legal Fees (3.0%)	78,900	78,900	
Fiscal Agent Fees	52,600	52,600	
Developer Interest	156,489	141,300	15,189
Bond Issuance Expenses	41,371	46,259	(4,888)
Attorney General's Fee (0.10%)	2,630	2,630	
Contingency			
<b>Total Construction Fund</b>	<b>\$ 2,439,325</b>	<b>\$ 2,418,648</b>	<b>\$ 20,677</b>
Capitalized Interest (12 Months @ 4.25%)	111,775	98,663	13,112
Bond Discount (3.00%)	78,900	77,586	1,314
	<b>\$ 190,675</b>	<b>\$ 176,249</b>	<b>\$ 14,426</b>
<b>Total Debt Service Fund</b>	<b>\$ 2,630,000</b>	<b>\$ 2,594,897</b>	<b>\$ 35,103</b>

**Brazoria County Mud #39**  
**Recap, Expenditure of Bond Proceeds 2018**  
**2,340,000 Series 2018 WS&D BAN**  
**01/22/19**

DESCRIPTION	APPROVED AMOUNT	EXPENDED AMOUNT	(OVER) UNDER ESTIMATE
Approved Amount	\$ 2,340,000		
<b><u>Construction Costs</u></b>			
Developer Contribution Items			
Pomona Section 2 Lake/Detention Improvements	229,512	229,512	
Pomona Lake "B" and "C"	1,052,067	1,052,067	
Pomona Lake "D"	451,770	451,770	
Engineering and testing	225,127	224,997	130
Special engineering reports	73,904	73,904	
Storm Water Pollution Prevention	4,506	4,506	
<b><u>District Items</u></b>			
Land Acquisition	127,641	127,641	
<b><u>Non-Construction Cost</u></b>			
Legal Fees (3.0%)	23,400	23,400	
Fiscal Agent Fees	23,400	23,400	
Operating Advances	117,000	117,000	
Bond Issuance Expenses	11,673	5,600	6,073
Attorney General's Fee (0.10%)			
Contingency			
Miscellaneous			
<b>Total Construction Fund</b>	<b>\$ 2,340,000</b>	<b>\$ 2,333,797</b>	<b>\$ 6,203</b>
Capitalized Interest (12 Months @ 4.25%)			
Bond Discount (3.00%)			
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Debt Service Fund</b>	<b>\$ 2,340,000</b>	<b>\$ 2,333,797</b>	<b>\$ 6,203</b>

## BRAZORIA COUNTY MUD #39

## OPERATING BUDGET

04/01/18 to 03/31/19

Amended 2

	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
TAPS	15	15	15	15	15	15	15	15	15	15	15	15	180
<b>REVENUE:</b>													
4100 Water Revenue	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	86,400
4120 Reconnect Fees	50	50	50	50	50	50	50	50	50	50	50	50	600
4200 Sewer Revenue	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
4330 Penalty Revenue	250	250	250	250	250	250	250	250	250	250	250	250	3,000
4316 Surface Water Rev	50	50	50	50	50	50	50	50	50	50	50	50	600
4319 Grease Trap Insp	5	5	5	5	5	5	5	5	5	5	5	5	60
5391 Interest Earnings	6	6	6	6	6	6	6	6	6	6	6	6	72
4350 Transfer Fees	375	375	375	375	375	375	375	375	375	375	375	375	4,500
5394 WWTP Lease Adv	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
4320 Maintenance Tax	-	-	-	-	-	-	-	-	71,264	146,264	300,818	268,719	787,064
4310 Tap Revenue (\$950)	48,355	29,855	25,510	18,130	20,300	107	114	700	4,837	8,000	8,000	8,000	171,908
4318 Inspections (\$210)	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	55,800
5399 Miscellaneous Rev.	300	300	300	300	300	300	300	300	300	300	300	300	3,600
5397 Developer Advance	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>75,241</b>	<b>56,741</b>	<b>52,396</b>	<b>45,016</b>	<b>47,186</b>	<b>26,993</b>	<b>27,000</b>	<b>27,586</b>	<b>102,987</b>	<b>181,150</b>	<b>335,704</b>	<b>303,605</b>	<b>1,281,604</b>
<b>EXPENSES:</b>													
6200 Payroll Administration	191	191	191	191	191	191	191	191	191	191	191	191	2,292
6201 Payroll Tax Expenses	58	58	58	58	58	58	58	58	58	58	58	58	696
6300 Purchase Water BC25	-	-	-	-	-	-	89,190	8,500	8,500	8,500	8,500	8,500	131,690
6310 Director Fees	750	750	750	750	750	750	750	750	750	750	750	750	9,000
6319 Legal Fees-Construction	600	600	600	600	600	600	600	600	600	600	600	600	7,200
6320 Legal Fees-General	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
6321 Auditing Fee	-	-	9,500	-	-	-	-	-	-	-	-	-	9,500
6322 Engineering Fees	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
6323 Operator Fees	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
6324 Lab Fees	300	300	300	300	300	300	300	300	300	300	300	300	3,600
6326 Permit Fee	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6333 Bookkeeping	1,300	1,300	2,000	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	20,000
6335 Maint & Repair	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
6336 Sludge	200	200	200	200	200	200	200	200	200	200	200	200	2,400
6338 Legal/Public Notices	-	-	-	-	-	1,900	-	-	-	-	-	-	1,900
6340 Printing/Office Supplies	315	315	315	315	315	315	315	315	315	315	315	315	3,780
6342 Chemicals	150	150	150	150	150	150	150	150	150	150	150	150	1,800
6350 Postage	15	15	15	15	15	15	15	15	15	15	15	15	180
6351 Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6352 Utilities	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
6353 Insurance	-	-	-	-	-	-	-	-	11,110	-	-	-	11,110
6354 Travel & Expenses	115	115	115	115	115	115	115	115	115	115	115	115	1,380
6359 Other Expenses	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6370 Tap Expense (\$390)	18,915	16,490	20,487	21,945	29,888	830	112	7,715	5,439	7,000	7,000	7,000	142,822
6377 Inspections (225)	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	40,800
6378 Transfer Fees	375	375	375	375	375	375	375	375	375	375	375	375	4,500
6408 HOA Landscape	23,519	23,519	23,519	23,519	23,519	23,519	23,519	23,519	23,519	23,519	23,519	23,519	282,228
6401 Mowing	32,562	3,402	3,402	3,402	3,402	3,402	3,402	3,402	3,402	3,402	3,402	3,402	69,984
6399 Garbage	950	950	950	950	950	950	950	950	950	950	950	950	11,400
6420 Engr. Special Projects	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
6432 STP Lease	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
6445 GIS Services	500	500	500	500	500	500	500	500	500	500	500	500	6,000
<b>TOTAL EXPENSES</b>	<b>114,265</b>	<b>82,680</b>	<b>96,877</b>	<b>88,135</b>	<b>96,078</b>	<b>68,920</b>	<b>155,492</b>	<b>82,405</b>	<b>91,239</b>	<b>81,690</b>	<b>81,690</b>	<b>82,390</b>	<b>1,121,862</b>
<b>NET REVENUES/LOSS</b>	<b>(39,024)</b>	<b>(25,939)</b>	<b>(44,481)</b>	<b>(43,119)</b>	<b>(48,892)</b>	<b>(41,927)</b>	<b>(128,492)</b>	<b>(54,819)</b>	<b>11,748</b>	<b>99,460</b>	<b>254,014</b>	<b>221,215</b>	<b>159,743</b>

**NOTES:**

Maintenance Tax 2018 CAV \$107,083,487 @ \$.75/100 98% Collection/Less collection cost

Budget assumes 15-Taps monthly starting in MARCH 2018

**Prepared By:**

McLennan &amp; Associates, LP

1717 St. James Place, Suite 500

Houston, Texas 77056

Phone (281) 920-4000

E-mail: staylor@McLennanandAssoc.com

E-mail: dbailey@McLennanandAssoc.com

Presented: 03/27/18

Adopted: 03/27/18

Amended: 09/25/18

Amended 2: 12/18/18

**Brazoria County MUD #39 - General Fund**  
**Budget Comparison**  
December 2018

	Dec 18	Budget	\$ Over Budget	Apr - Dec 18	YTD Budget	\$ Over Budget
<b>Revenue</b>						
4100 - Water Service Revenue	16,372	7,200	9,172	177,234	64,800	112,434
4120 - Reconnection Fees	75	50	25	375	450	(75)
4200 - Sewer Service Revenue	22,545	5,000	17,545	195,513	45,000	150,513
4202 - Sewer Inspection Fees	-	-	-	5,040	-	-
4310 - Tap Connection Fees	8,895	4,837	4,058	204,370	147,908	56,462
4315 - Plumbing Inspection Fees	700	-	700	11,681	-	11,681
4316 - Surface Water	77	50	27	1,131	450	681
4317 - Building Inspections Fees	1,996	-	1,996	40,544	-	40,544
4318 - Inspection Fees	-	4,650	(4,650)	-	41,850	(41,850)
4319 - Grease Trap Inspection Fees	-	5	(5)	480	45	435
4320 - Maintenance Tax Revenue	30,172	71,264	(41,092)	56,816	71,264	(14,448)
<b>4322 - Contract Tax Revenue</b>				<b>4,317</b>		<b>4,317</b>
4330 - Penalty Interest & Late Fee	677	250	427	9,606	2,250	7,356
4350 - Transfer Fees	900	375	525	7,725	3,375	4,350
5391 - Interest on Temp Investments	29	6	23	1,534	54	1,480
5394 - WWTP Lease Advances	-	9,000	(9,000)	-	81,000	(81,000)
5399 - Miscellaneous Revenue	300	300	-	48,928	2,700	46,228
<b>Total Revenue</b>	<b>82,738</b>	<b>102,987</b>	<b>(20,249)</b>	<b>765,294</b>	<b>461,146</b>	<b>304,148</b>
<b>Expenses</b>						
6200 - Payroll Administration	324	191	133	1,799	1,719	80
6201 - Payroll Tax Expense	46	58	(12)	667	522	145
6300 - Purchased Water - BC25	-	8,500	(8,500)	89,190	106,190	(17,000)
6310 - Director Fees	600	750	(150)	7,050	6,750	300
6319 - Legal Fees - Construction	-	600	(600)	-	5,400	(5,400)
6320.1 - Legal Fees	-	5,500	(5,500)	52,209	49,500	2,709
6321 - Auditing Fees	-	-	-	9,500	9,500	-
6322 - Engineering Fees - General	-	1,500	(1,500)	23,100	13,500	9,600
6323 - Operator Fees	2,298	1,250	1,048	19,099	11,250	7,849
6324 - Laboratory Expenses	-	300	(300)	15,227	2,700	12,527
6326 - Permit Fees	2,100	100	2,000	3,676	900	2,776
6333 - Bookkeeping Fees	1,200	1,300	(100)	11,961	12,400	(439)
6335 - Maintenance & Repairs-Routine	7,476	5,000	2,476	106,453	45,000	61,453
6336 - Sludge & Waste Disposal	-	200	(200)	2,371	1,800	571
6338 - Legal Notices	-	-	-	7,448	1,900	5,548
6340 - Printing and Office Supplies	838	315	523	7,252	2,835	4,417
6342 - Chemicals	-	150	(150)	2,391	1,350	1,041
6350 - Postage	33	15	18	194	135	59
6351 - Telephone	-	100	(100)	730	900	(170)
6352 - Utilities	-	3,000	(3,000)	41,352	27,000	14,352
6353 - Insurance	-	11,110	(11,110)	9,139	11,110	(1,971)
6354 - Travel Expenses	58	115	(57)	621	1,035	(414)
<b>6355 - A W B D Expenses</b>	<b>650</b>	<b>-</b>	<b>650</b>	<b>6,806</b>	<b>-</b>	<b>6,806</b>
6359 - Other Expenses	-	100	(100)	767	900	(133)
<b>6370 - Tap Connection Expense</b>	<b>9,919</b>	<b>5,439</b>	<b>4,480</b>	<b>140,040</b>	<b>121,822</b>	<b>18,218</b>

**Brazoria County MUD #39 - General Fund**  
**Budget Comparison**  
December 2018

	Dec 18	Budget	\$ Over Budget	Apr - Dec 18	YTD Budget	\$ Over Budget
6377 - Inspection Expense	5,345	3,400	1,945	51,563	30,600	20,963
6378 - Transfer Fee	587	375	212	8,892	3,375	5,517
6380 - Disconnection Fees	*	*	*	115	*	115
6399 - Garbage Expenses	*	950	(950)	32,413	8,550	23,863
6401 - Mowing	12,636	3,402	9,234	197,854	59,778	138,076
6408 - HOA Reimbursement	*	23,519	(23,519)	211,671	211,671	*
6420 - Engineering - Special Projects	*	4,500	(4,500)	1,125	40,500	(39,375)
6423 - ENGR - WWTP Discharge Permit	*	*	*	10,089	*	10,089
6432 - STP Lease Payments	*	9,000	(9,000)	76,422	81,000	(4,578)
6445 - Engr - GIS Services	500	500	*	4,000	4,500	(500)
<b>Total Expenses</b>	<b>44,610</b>	<b>91,239</b>	<b>(46,629)</b>	<b>1,153,186</b>	<b>876,092</b>	<b>277,094</b>
<b>Overall Surplus (Deficit)</b>	<b>38,128</b>	<b>11,748</b>	<b>26,380</b>	<b>(387,892)</b>	<b>(414,946)</b>	<b>27,054</b>



January 15, 2019

Brazoria County Municipal Utility District No. 39 c/o ABHR  
3200 Southwest FWY, Suite 2600  
Houston, TX 77027

Re: Pomona Homeowners Association

Dear Sirs:

Thank you for supporting Pomona Homeowners Association Landscape Maintenance. Per the agreement with BCMUD 39, the Association will submit monthly invoices for 50% of contractual expenses. The table below details the 2019 landscape maintenance budget.

**2019 Landscape Maintenance Budget**

		<b>Monthly</b>	<b>Yearly</b>
60800 010	Landscape Contract	42,125	505,500
60800 060	Landscape Irrigation Repairs	3,333	40,000
60800110	Landscape Replacement	3,750	45,000
60800 009	Landscape Inspections	3,167	38,000
<b>Expense Total</b>		<b>52,375</b>	<b>628,500</b>

The 2018 monthly BCMUD 39 contribution to Pomona HOA: \$23,519.00

The 2019 monthly BCMUD 39 contribution to Pomona HOA: \$26,187.00

The 2019 monthly Association expenses for Pomona Landscape: \$52,375.00

Projected payments to the Association for 2019 from BCMUD 39: \$314,244.00

Projected expenses to the Association for Landscape 2019: \$628,500.00

Thank you for your continued support.

A handwritten signature in black ink that reads "Donna Grice".

Donna Grice, General Manager / Managing Agent

**TAX ASSESSOR / COLLECTOR CASH RECEIPTS AND DISBURSEMENTS REPORT**

	Current Month (12/1/2018 - 12/31/2018)	Fiscal Year (4/1/2018 - 3/31/2019)	Tax Year (10/1/2018 - 9/30/2019)
<b>Beginning Balance :</b>	<b>71,191.00</b>	<b>83,564.02</b>	<b>12,689.74</b>
<b>Plus Collections :</b>			
Taxes Collected:			
Debt Service Taxes	162,372.08	176,268.56	174,591.36
Maintenance Taxes Due General Operating Fund	435,074.99	478,802.73	467,900.89
Road Taxes	272,553.06	296,208.74	293,063.99
Penalties and Interest on Tax Accounts	0.00	1,156.38	0.00
Delinquent Attorney Fees and Court Costs	0.00	845.20	0.00
Overpayments	0.00	-460.49	0.00
Current Year Value Reduction Refund	0.00	0.00	0.00
Prior Year Value Reduction Refund	0.00	0.00	0.00
Litigation Refund	0.00	0.00	0.00
Redeposit of Checks	0.00	0.00	0.00
Interest Earned	33.37	57.52	43.38
Certificate and Notice To Purchaser Income	0.00	30.00	0.00
Outstanding Payments	10,635.75	11,477.25	11,477.25
Deposit from Other District or Rebate from CAD	0.00	-5,406.36	0.00
General Fund/Escrow/Other Sources	0.00	0.00	0.00
<b>Total Collections Received :</b>	<b>880,669.25</b>	<b>958,979.53</b>	<b>947,076.87</b>
<b>Less Disbursements :</b>			
Debt Service Transfers	0.00	40,000.00	0.00
Maintenance Transfers	30,172.10	59,469.72	32,825.90
Road Tax Transfers	18,847.88	28,196.64	20,510.93
Overpayments Refunded	0.00	16.35	0.00
Current Year Value Reductions Refunded	0.00	1,954.84	0.00
Prior Year Value Reductions Refunded	0.00	0.00	0.00
Litigation Refund	0.00	0.00	0.00
Professional Consultant Fees	0.00	0.00	0.00
Delinquent Tax Attorney Fees	0.00	845.20	0.00
Hourly Fees/Meeting Attendance/SPA Work	0.00	0.00	0.00
Tax Assessor/Collector	0.00	4,124.58	1,908.06
CAD Quarterly Payment, Estimate/Certificate Fee	2,512.25	4,601.75	2,512.25
Late Rendition Penalty Reimbursement to CAD	0.00	0.00	0.00
Bond and Continuing Disclosure Work	0.00	2,000.00	1,000.00
Aerial Photography	0.00	0.00	0.00
Truth in Taxation Publication	0.00	275.00	0.00
Postage	0.00	681.45	681.45
Bank Charges	0.00	0.00	0.00
Statutory Interest	0.00	0.00	0.00
Insurance Bond Premiums	0.00	50.00	0.00
Returned Checks from Bank	0.00	0.00	0.00
Refund of Other District's Deposit	0.00	0.00	0.00
Escheated Funds Transferred to State	0.00	0.00	0.00
Certificate Reimbursement	0.00	0.00	0.00
Delivery Reimbursement	0.00	0.00	0.00
Other Fees	0.00	0.00	0.00
<b>Total Disbursements :</b>	<b>51,532.23</b>	<b>142,215.53</b>	<b>59,438.59</b>
<b>Ending Balance :</b>	<b>900,328.02</b>	<b>900,328.02</b>	<b>900,328.02</b>

See Attached List for Securities Pledged

Prepared by Assessments of the Southwest, Inc.

P.O. Box 1368

Friendswood TX 77549-1368

(281)-482-0216

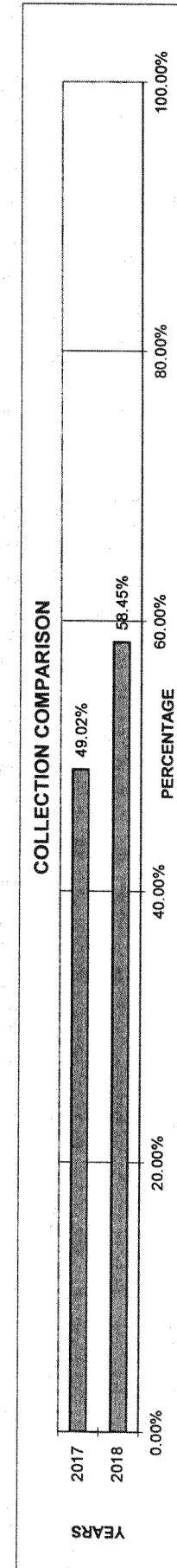
Page 1 of 4

Brazoria County Municipal District No. 39 TAX ASSESSOR / COLLECTOR  
 TAX RATE AND VALUE REPORT AS OF December 31, 2018

<u>Cert Taxable Value</u>	<u>Supplemental Value</u>	<u>Net Taxable Value</u>	<u>Total Tax Rate</u>
<u>104,848,067</u>	<u>1,822,776</u>	<u>106,670,843</u>	<u>1.50000</u>
<u>Year</u>	<u>Taxable Value</u>	<u>I &amp; S Rate</u>	<u>M &amp; O Rate</u>
2018	106,670,843	0.28000	0.75000
2017	56,594,320	0.16000	1.04000
2016	28,432,846	0.00000	1.50000
2015	3,072,647	0.00000	1.50000
2014	110,970	0.00000	1.50000
<u>Year</u>	<u>Taxable Value</u>	<u>I &amp; S Levy</u>	<u>M &amp; O Levy</u>
2018	106,670,843	298,678.36	800,031.32
2017	56,594,320	90,550.91	588,580.93
2016	28,432,846	0.00	426,492.69
2015	3,072,647	0.00	46,089.71
2014	110,970	0.00	1,664.55
<u>Year</u>	<u>Taxable Value</u>	<u>Road Rate</u>	<u>Road Levy</u>
2018	106,670,843	0.47000	501,352.96
2017	56,594,320	0.30000	169,782.96
2016	28,432,846	0.00000	0.00
2015	3,072,647	0.00000	0.00
2014	110,970	0.00000	0.00

Brazoria County Municipal District No. 39 TAX ASSESSOR / COLLECTOR  
RECEIVABLES REPORT AS OF December 31, 2018

Land Value		Improvement Value		Personal Property		Exemption Value		Total Value	
40,918,801		74,787,374		993,740		10,029,072		106,670,843	
Year	Value Levy	Rollback / Uncollectibles	Rendition Penalty / Late Fees	Total Levy	Taxes Due 10/1	Adjustments	Collections	Balance	% Collected
2018	1,600,062.65	0.00	0.00	1,600,062.65	1,606,252.29	-6,189.65	935,310.68	664,751.96	58.45%
2017	848,914.80	0.00	0.00	848,914.80	0.00	0.00	0.00	0.00	100.00%
2016	426,492.69	0.00	0.00	426,492.69	0.00	92.66	92.66	0.00	100.00%
2015	46,089.71	0.00	0.00	46,089.71	0.00	74.08	74.08	0.00	100.00%
2014	1,664.55	44,513.43	0.00	46,177.98	0.00	78.82	78.82	0.00	100.00%
<b>TOTALS</b>		<b">1,606,252.29</b">		<b">-5,944.09</b">		<b">935,556.24</b">		<b">664,751.96</b">	



**Cash Balance : December 31, 2018** **\$900,328.02**

**Collections Received to Date :** **\$254,006.50**

<b>Check No.</b>	<b>Payee</b>	<b>Amount</b>	<b>Type of Disbursement</b>
WIRED 01.11.19	Brazoria Co MUD 39 Operating Fund	435,074.99	Maintenance Transfers
WIRED 01.11.19	Brazoria Co MUD 39 Road Bond Fund	272,553.06	Road Tax Transfers
WIRED 01.11.19	Brazoria Co MUD 39 Debt Svc Fund	100,000.00	Debt Service Transfers
1078	Assessments of the Southwest Tax A-C Fee Bond Work Total: \$2155.42	1,155.42 1,000.00	Tax Assessor/Collector Bond and Continuing Disclosure Work

**Total Disbursements :** **\$809,783.47**

**Cash Balance: January 22, 2019** **\$344,551.05**

See Attached List for Securities Pledged



# BNY MELLON

Broker/Dealer Services  
101 Barclay Street, 4th Floor East  
New York, NY 10286

Date: 12/31/18

000867 XBGSCD11  
ATTN: NANCY DAVIS-PRESIDENT  
BRAZORIA COUNTY MUNICIPAL UTL DIS NO 39  
PO BOX 1368  
FRIENDSWOOD, TX 77549

Account Id: WU2141 Tax Id Number: 562643517

This advice is supplied as part of the Tri-Party Collateral agreement among the Customer, Wells Fargo Bank, N.A. and The Bank of New York Mellon. Any questions should be directed to Vinnette Frater, Senior Associate, BDS/Tri-Party Services, (973)569-2411.

As agent we confirm the following collateralized deposit information received from Wells Fargo Bank, N.A. as of close of business the last business day of the month.

Date: 12/31/18

The collateral segregated on your behalf on 12/31/18 is as follows:

CUSIP	DESCRIPTION	QUANTITY	MARKET VALUE
3132GSAA7	FMAC FGPC 3.500% 03/01/42	6,055,000.00	1,849,480.75
		TOTAL MKT VALUE	1,849,480.75

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**ENGINEER'S REPORT**  
**BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 39**  
**LJA JOB NO. 1839-3900 (12.3)**

January 22, 2019

(✓) Action  
Item

**AGENDA ITEM NO. 10**

**Authorize design, approve plans and specifications and authorize advertisement for bids, award contract, and approve pay estimates, change orders, and final acceptance, as appropriate for the following:**

**a. Water Supply Plant No. 1, Well Study;**

The Contractor is Weisinger Incorporated. The TCEQ final inspection was held on November 29, 2018. We received the 36-hour pump test results, but we are still waiting on the TCEQ final water quality testing results from the well contractor. The District's water system will remain on interconnect water supply until the TCEQ final water quality testing results are received and the TCEQ authorizes the well to be placed back into service.

The well was running continuously from December 5<sup>th</sup> to January 3<sup>rd</sup>, and the District's operator pulled daily water quality samples. The amount of chloride and total dissolved solids in the water decreased over time, which indicates an improvement in water quality.

The well was taken off-line on January 7<sup>th</sup> to investigate vibration and wear with the top bearing. The well contractor is investigating the issue.

**b. Wastewater Treatment Plant, Phase 2 to Serve Pomona;**

The lease is through AUC Group. The notice to proceed for the lease was issued on August 8, 2018.

The Contractor is Gilleland Smith Construction, Inc. The notice to proceed was issued on September 17, 2018. Construction is underway. The tanks are planned to be delivered in January.

✓ Approve Change Order No. 1 for an increase in the contract amount of \$2,405.83. The reason for the change order is to match the manufacturer of the proposed lift station pump to the manufacturer of the existing lift station pumps.

**c. Update on Wastewater Treatment Plant Discharge Permit Renewal;**

LJA received the WWTP Discharge Permit from the TCEQ. The new permit will expire on January 2, 2024.

**d. Update on Water Reuse Permit Application;**

LJA prepared the TCEQ water re-use application to utilize the wastewater treatment plant effluent to irrigate the tree farm adjacent to the facility. LJA received the fully executed agreement, so we are finalizing the submittal to the TCEQ for review and approval.

(✓) Action  
Item

**e. Water Supply Plant No. 1, Phase 2;**

An expansion of the water plant is required to serve development in Brazoria County MUD No. 40. The proposed project will expand the capacity of the water plant from 625 equivalent single-family connections (ESFCs) to 1,250 ESFCs. The project will be completed by Brazoria County MUD No. 40 in accordance with the Joint Facilities/Cost Sharing Agreement between Brazoria County MUD No. 40 and the District.

Brazoria County MUD No. 40 awarded the project to Gemini Contracting Services, Inc. The contracts are being executed.

**f. Water, Sewer and Drainage Facilities and Paving to Serve Pomona Parkway, Phase 3;**

The proposed project includes the extension of Pomona Parkway across the Gulf Coast Water Authority Canal and into Brazoria County MUD No. 40. The portion of the project east of the Gulf Coast Water Authority Canal is within the District.

Brazoria County MUD No. 40 awarded the project Clearwater Utilities, Inc. The contracts are being executed.

**g. Croix Parkway Water Line Extension and Storm Sewer Outfall;**

The proposed project includes the extension of a water line along Croix Parkway from Pomona Parkway to the WWTP as well as a storm sewer outfall into Mustang Bayou from the "Grove" area. Design is ongoing.

**h. Update on Bond Application No. 3.**

LJA submitted the bond application report to TCEQ on November 1, 2018 and the TCEQ pre-purchase inspection was held on November 14, 2018. No deficiencies were found. We are waiting for TCEQ to complete their review of the report.

### ADDITIONAL INFORMATION

#### 1. Permit Status

##### a. WWTP Discharge Permit

Permit Expires: January 2, 2024

#### 2. Site Plan Reviews/Utility Capacity Requests

##### a. Brazoria County ESD No. 3 Fire/EMS Station

The BCESD No. 3 is planning to developing a site within the District on Croix Parkway south of Pomona Parkway. LJA provided the attached utility capacity letter to BCESD No. 3.

#### 3. Construction Warranty Status

##### a. Mustang Bayou Phase 1 Channel Improvements

Contractor: Longhorn Excavators, Inc.

Final Acceptance: 8/25/15

Warranty Expires: 8/25/16

An inspection was held with the City of Manvel and Brazoria Drainage District No. 4 on December 11, 2018. No deficiencies were found. LJA received the approval letter from Brazoria Drainage District No. 4 on December 12, 2018, and we received final acceptance at the City of Manvel City Council meeting on January 7, 2019.

##### b. Lake "D"

Contractor: Longhorn Excavators, Inc.

Final Acceptance: 8/25/15

Warranty Expires: 8/25/16

The one-year warranty inspection was held on August 31, 2016. LJA met with Storm Water Solutions on October 10, 2018 to review the project. Storm Water Solutions will make a few minor repairs prior to the final warranty inspection with the City of Manvel and Brazoria Drainage District No. 4.

##### c. Paving to Serve Pomona Sec. 4

Paving Contractor: SMG Concrete Pavers, Inc.

Final Acceptance: 11/24/15

Paving Warranty Expires: 11/24/18

The 3-year warranty inspection for the paving portion of the project is scheduled for January 24<sup>th</sup> at 9 a.m.

**d. WSD and Paving to Serve Pomona Sec. 7**

WSD Contractor: Hurtado Construction Company  
Paving Contractor: D&J Construction, Inc.  
Final Acceptance: 11/20/17  
Warranty Expires: 11/20/18

The one-year warranty inspection was held on November 1, 2018. The contractor has addressed the deficiencies found during the inspection. We are waiting on final acceptance from Brazoria Drainage District No. 4, the City of Manvel and Brazoria County.

**e. WSD and Paving to Serve Pomona Sec. 8**

WSD Contractor: Hurtado Construction Company  
Paving Contractor: D&J Construction, Inc.  
Final Acceptance: 5/7/18  
Warranty Expires: 5/7/19

**f. Pomona Lake "B" Pedestrian Bridge**

Contractor: Division III + Constructors, Inc.  
Final Acceptance: 7/2/18  
Warranty Expires: 7/2/19

## CHANGE ORDER

No. 1

PROJECT Construction of the Lift Station No. 1 and Wastewater Treatment Plant – Phase II to Serve PomonaDATE OF ISSUANCE November 6, 2018EFFECTIVE DATE November 6, 2018OWNER Brazoria County M.U.D. No. 39 / Pomona Phase 2B, LLCENGINEER'S CONTRACT NO. 2149-5202 (11.3)CONTRACTOR Gilleland Smith Construction, Inc.ENGINEER LJA Engineering, Inc.

You are directed to make the following changes in the Contract Documents.

Description: See Attachment "A"

Reason for Change Order: Additional costs to match the proposed lift station pump to the existing lift station pumps.

**CHANGE IN CONTRACT PRICE:**

Original Contract Price

\$ 441,220.00**CHANGE IN CONTRACT TIMES:**

Original Contract Times

Substantial Completion: 120Ready for Final Payment: 135

days or dates

Net Changes from previous Change Orders No.    to No.   \$ n/aNet Changes from previous Change Orders No.    & No.   n/a

days

## Contract Price prior to this Change Order

\$ 441,220.00

## Contract Times prior to this Change Order

Substantial Completion: 120Ready for Final Payment: 135

days or dates

## Net Increase of this Change Order

\$ 2,405.83

## Net Increase (decrease) of this Change Order

0

days

## Contract Price with all approved Change Orders

\$ 443,625.83

## Contract Times with all approved Change Orders

Substantial Completion: 120Ready for Final Payment: 135

days or dates

**RECOMMENDED:**By: Brian T. Edward  
Engineer: LJA Engineering, Inc.  
(Authorized Signature)Date: 1/16/19**APPROVED:**By: \_\_\_\_\_  
Owner: Brazoria County M.U.D. No. 39  
(Authorized Signature)

Date: \_\_\_\_\_

**ACCEPTED:**By: John S. Gilleland  
Contractor: Gilleland Smith Construction, Inc.  
(Authorized Signature)Date: 1/15/19**APPROVED:**By: \_\_\_\_\_  
Owner: Pomona Phase 2B, LLC  
(Authorized Signature)

Date: \_\_\_\_\_

CHANGE ORDER NO. 1  
ATTACHMENT "A"

PROJECT: CONSTRUCTION OF THE LIFT STATION NO. 1 AND WASTEWATER TREATMENT PLANT - PHASE II TO SERVE POMONA

NOVEMBER 6, 2016  
LJA JOB NO.: 2149-5202 (11.3)

ITEM	DESCRIPTION	CURRENT CONTRACT			REVISED CONTRACT			
		UNIT	QTY	UNIT COST	TOTAL	QTY	UNIT COST	TOTAL
<b>ADD ITEM(S) TO CONTRACT:</b>								
<b>WASTEWATER ITEMS SECTION</b>								
12.	ADDITIONAL COST TO PROVIDE ABS SUBMERSIBLE LIFT STATION PUMP AND APPURTENANCES TO MATCH THE EXISTING PUMPS, COMPLETE IN PLACE	LS				1	\$2,405.83	\$2,405.83

NET TOTAL CHANGE ORDER #1: \$2,405.83

ORIGINAL CONTRACT AMOUNT: \$441,220.00  
CHANGE ORDER #1: \$2,405.83  
REVISED CONTRACT AMOUNT: \$443,625.83

## CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY  
CERTIFICATION OF FILING

Certificate Number:  
2019-441689

Date Filed:  
01/15/2019

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Gilleland Smith Construction, Inc.  
Richmond, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Brazoria County Municipal Utility District No. 39

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

214-5202

Construction of the Lift Station No. 1 and Wastewater Treatment Plant - Phase II to Serve Pomona

5 Check only if there is NO Interested Party.

1

## 6 UNSWORN DECLARATION

My name is DAMON P. GILLEZARD, and my date of birth is 04/22/75

My address is 19840 FM 1093, STE. 10 Richmond, TX 77407, USA  
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Fort Bend County, State of Texas, on the 15<sup>th</sup> day of JAN., 2019  
(month) (year)

*John J. Gill*

Signature of authorized agent of contracting business entity  
(Declarant)

January 17, 2019

Mr. Dave Ferguson  
Brazoria County  
Emergency Services District No. 3  
P.O. Box 1253  
Manvel, Texas 77578

Re: Utility Capacity Request  
Proposed Fire Station / Emergency Services Building  
Brazoria County Municipal Utility District No. 39  
City of Manvel ETJ, Brazoria County, Texas  
LJA Project No. 1839-3900 (12.7)

Dear Mr. Ferguson:

As the District Engineer for Brazoria County Municipal Utility District No. 39, we have reviewed the capacity request for the referenced project.

The proposed project will be located on an approximately 2.5 acre tract near the intersection of Pomona Parkway and Croix Parkway. Based on the preliminary information received from the owner, the proposed improvements include the construction of a 14,000 square foot fire station and emergency services building which will accommodate 14 personnel. A location map and preliminary site layout are attached to this letter.

The Equivalent Single Family Connection (ESFC) calculations are as follows:

Fire Station:	14 personnel x 0.286 ESFC / Capita =	4.00 ESFC
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<b>Total Number of ESFCs Required =</b>	<b>4 ESFC</b>
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Based on the calculations above, the proposed water usage would be 1,820 gallons per day (455 gpd / ESFC), and the proposed wastewater usage would be 1,260 gallons per day (315 gpd / ESFC). The District has adequate water and wastewater capacity within the existing and proposed facilities to serve the project at the calculated 4 ESFCs. In addition, the District has adequate detention capacity to serve the approximately 2.5-acre tract.

If you have any questions, please call me at 713.953.5118.

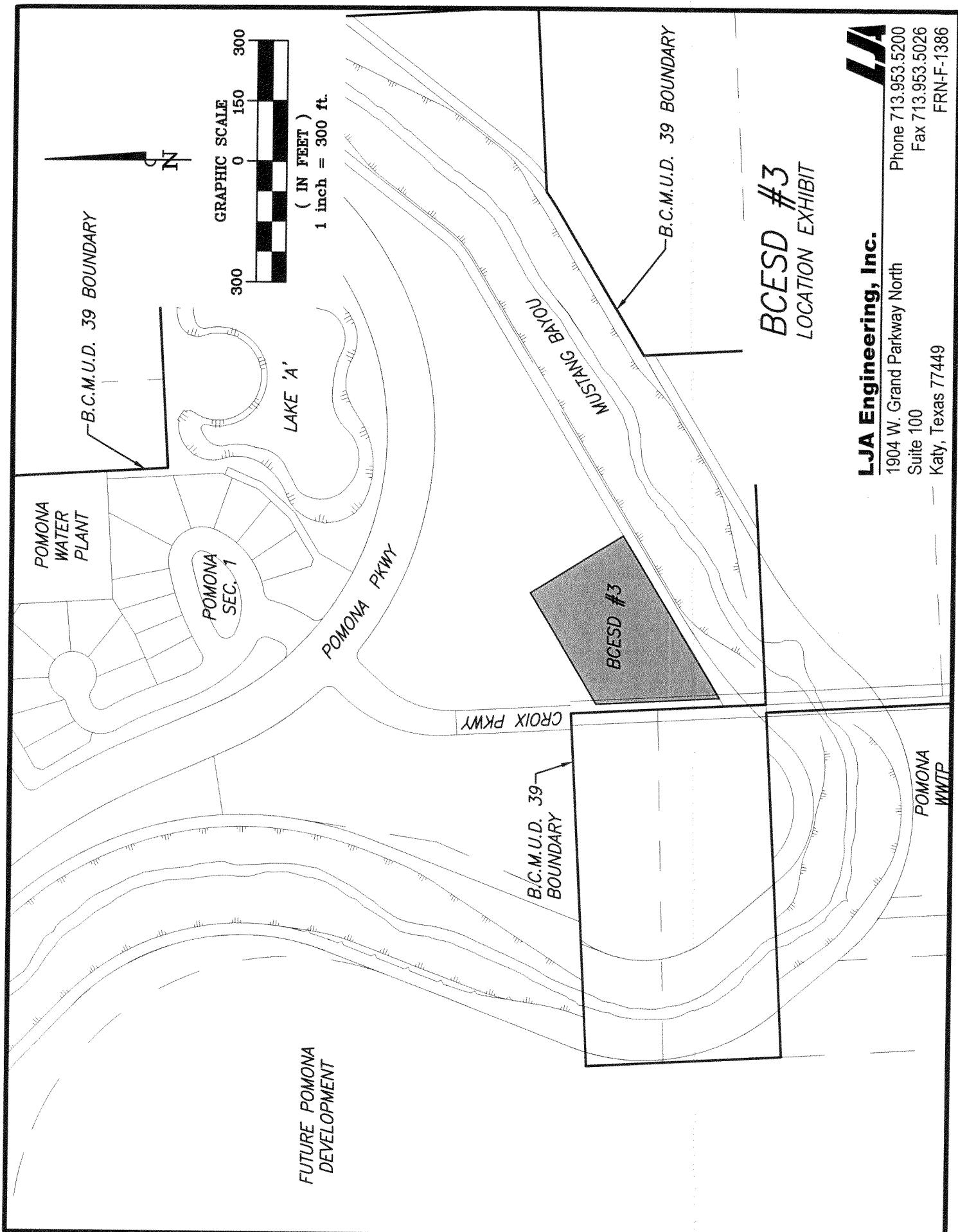
Sincerely,



Brian T. Edwards, PE  
Senior Project Manager

Attachments

Copy: Mr. Tim Austin, Allen Boone Humphries Robinson, LLP  
Mr. Rick Marriott, Si Environmental, LLC



**LJA Engineering, Inc.**

1904 W. Grand Parkway North  
Suite 100  
Katy, Texas 77449

**LJA**  
Phone 713.953.5200  
Fax 713.953.5026  
FRN-F-1386

