

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 40

April 24, 2018

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 40 (the "District") met in regular session, open to the public, on the 24th day of April, 2018, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Alicia Skinner	President
Brandon Guillory	Vice President
Charles M. Eastland	Secretary
Alice Collins	Assistant Secretary
David Kubala	Assistant Vice President

and all of the above were present, except Directors Collins and Eastland, thus constituting a quorum.

Also present at the meeting were Jan Bartholomew and David Wood of Robert W. Baird & Co., Inc. ("RWB"); Donna Bryant of Assessments of the Southwest, Inc. ("ASW"); Scott Wright of MHI Partnership, Ltd. ("MHI"); Brian Edwards of LJA Engineering, Inc.; Diane Bailey of McLennan & Associates, L.P.; and Tim Austin and Ashley Ramos of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approval of the minutes from the March 27, 2018, meeting. After discussion, Director Guillory moved to approve the March 27, 2018, minutes. Director Kubala seconded the motion, which carried by unanimous vote.

BOOKKEEPER'S REPORT

Ms. Bailey then presented the bookkeeper's report and submitted the bills for the Board's review. A copy of the bookkeeper's report is attached. After discussion, Director Kubala moved to approve the bookkeeper's report and the payment of bills. Director Skinner seconded the motion, which passed unanimously.

ANNUAL FINANCIAL REPORT

Mr. Austin reported that the District is not required to prepare an audit for the fiscal year ending March 31, 2018, because the District's annual revenues and expenditures will be less than \$250,000. He stated that the District is required instead to file an annual financial report with the Texas Commission on Environmental Quality

("TCEQ"). After discussion, Director Kubala moved to authorize the District's bookkeeper to prepare and submit a year-end financial report on behalf of the District. Director Skinner seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Bryant distributed and reviewed the tax assessor/collector's report for the month of April, a copy of which is attached.

ENGINEER'S REPORT

Mr. Edwards presented and reviewed an engineer's report with the Board, a copy of which is attached.

CLEARING AND GRUBBING TO SERVE POMONA PHASE 3 IMPROVEMENTS

Mr. Edwards reported on the clearing and grubbing to serve the Pomona Phase 3 Improvements. He recommended approval of Pay Estimate No. 5 in the amount of \$23,875.80 to Great Bear Construction. After review and discussion, Director Guillory moved to approve Pay Estimate No. 5 in the amount of \$23,875.80 to Great Bear Construction. Director Kubala seconded the motion, which passed by unanimous vote.

POMONA PHASE 3 DRAINAGE PLAN

Mr. Edwards reported on the Pomona Phase 3 drainage plan, stating the project is complete.

LAKE G TO SERVE POMONA

Mr. Edwards reported on the construction of Lake G to serve Pomona, stating construction is underway.

LIFT STATION NO. 2 TO SERVE POMONA

Mr. Edwards reported on the construction of Lift Station No. 2 to serve Pomona.

LAKE F PHASE 1 TO SERVE POMONA

Mr. Edwards reported on construction plans for Lake F Phase 1 to serve Pomona. He stated that bids were received for construction of Lake F Phase 1 to serve Pomona. Mr. Edwards recommended that the Board award the contract to Harris Construction Company, Ltd. ("Harris Construction") in the amount of \$771,793.90. The Board concurred that, in its judgment, Harris Construction was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Following review and discussion, Director

Guillory moved to award the contract for construction of Lake F Phase 1 to serve Pomona to Harris Construction in the amount of \$771,793.90, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and verification of insurance. Director Kubala seconded the motion, which passed by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA, SECTION 9

Mr. Edwards reported on the construction of water, sewer, and drainage facilities to serve Pomona, Section 9.

PAVING TO SERVE POMONA, SECTION 9

Mr. Edwards reported on paving to serve Pomona, Section 9.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA, SECTION 10

Mr. Edwards reported on the construction of water, sewer, and drainage facilities to serve Pomona, Section 10.

PAVING TO SERVE POMONA, SECTION 10

Mr. Edwards reported on paving to serve Pomona, Section 10.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA, SECTION 11

Mr. Edwards reported on plans for the construction of water, sewer, and drainage facilities to serve Pomona, Section 11.

PAVING TO SERVE POMONA, SECTION 11

Mr. Edwards reported on paving plans to serve Pomona, Section 11.

NOTICE TO CITY OF MANVEL OF CURRENT AND ANTICIPATED WATER AND WASTEWATER CAPACITY

Mr. Edwards stated that the First Amendment to Development Agreement between the District and the City of Manvel (the "City") contains a requirement that the District to annually report current and anticipated water and wastewater capacity to the City. Mr. Edwards stated LJA sends a letter annually to the City to report current and anticipated water and wastewater capacity. Following review and discussion, Director Guillory moved to authorize LJA to send a letter to the City reporting the current and

anticipated water and wastewater capacity. Director Kubala 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.

ATTORNEY'S REPORT

The Board reviewed a Resolution Establishing Additional Office and Out-of-District Meeting Place of the Board of Directors ("Resolution"). Mr. Edwards noted an additional LJA office has been included in the Resolution for the purposes of receiving bids on certain public works projects, administering construction contracts for such projects, receiving correspondence related to such contracts, for the storage of the plans and specifications of such projects, and conducting Board meetings. Following review and discussion, Director Kubala moved to approve the Resolution. Director Skinner seconded the motion, which carried by unanimous vote.

MEETING SCHEDULE

The Board concurred to conduct the next regular meeting on May 22, 2018, at 10:30 a.m. at ABHR.

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



Alice C. Collins
Assist Secretary, Board of Directors

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