

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 40

July 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 July, 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 Kubala, thus constituting a quorum.

Also present at the meeting were Jan Bartholomew of Robert W. Baird & Co., Inc. ("RWB"); Rick Marriott of Si Environmental, LLC ("Si"); Delia Yanez of Assessments of the Southwest, Inc. ("ASW"); Russell Bynum of Hillwood Communities; Scott Wright of MHI Partnership, Ltd. ("MHI"); Brian Edwards of LJA Engineering, Inc.; Jorge Diaz of McLennan & Associates, L.P.; and Angela Lutz and Ashley Ramos of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approval of the minutes from the June 26, 2018, meeting. After discussion, Director Guillory moved to approve the June 26, 2018, minutes. Director Eastland seconded the motion, which carried by unanimous vote.

2018 BOND ELECTIONS, PARK BOND ELECTION, ROAD BOND ELECTION, AND OPERATION AND MAINTENANCE TAX ELECTIONS

Ms. Lutz discussed plans for the District to hold an election on November 6, 2018 (the "November 2018 Election"), for the purposes of voting upon a proposition for the issuance of water, sewer, and drainage bonds, park bonds, road bonds, and the levy of ad valorem taxes.

Ms. Lutz discussed procedures related to the November 2018 Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the November 2018 Election period.

The Board considered adopting an Order Calling Bond Elections, Park Bond Election, Road Bond Election, and Operation and Maintenance Tax Elections.

The Board considered approving the Contract for Conduct of Election with Brazoria County.

Ms. Lutz discussed that a Notice of Election will be mailed to each voter in the District and provided to the County Clerk and Voter Registrar of Brazoria County.

Following review and discussion, Director Skinner moved to (1) adopt the Resolution Designating an Agent of the Secretary of the Board During the November 2018 Election period appointing Ashley Ramos of ABHR as the agent of the Secretary of the Board to perform the duties of the District's November 2018 Election, authorize the agent to post the related notice, as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) adopt the Order Calling Bond Elections, Park Bond Election, Road Bond Election, and Operation and Maintenance Tax Elections and direct that such document be filed and posted appropriately and retained in the District's official records; (3) approve the Contract for Conduct of Election with Brazoria County, subject to receipt of the contract from Brazoria County; and (4) authorize ABHR to mail the Notice of Election to each voter in the District and provide the Notice of Election to the County Clerk and Voter Registrar of Brazoria County. Director Guillory seconded the motion, which carried unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Lutz reviewed the renewal of the District's general liability, directors and officers liability, public employee blanket crime bond and directors bond with McDonald & Wessendorff Insurance. After discussion, Director Guillory moved to approve renewal of the District's insurance. Director Skinner seconded the motion, which carried by unanimous vote.

BOOKKEEPER'S REPORT

Mr. Diaz 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 Guillory moved to approve the bookkeeper's report and the payment of bills. Director Eastland seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR REPORT

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

AGREEMENT WITH SI ENVIRONMENTAL, LLC FOR OPERATING SERVICES

Mr. Marriott presented and reviewed a Professional Services Contract with Si. Following review and discussion, Director Eastland moved to approve the Professional Services Contract with Si. Director Skinner seconded the motion, which carried by a unanimous vote.

ENGINEER'S REPORT

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

LAKE G TO SERVE POMONA

Mr. Edwards reported on the construction of Lake G to serve Pomona. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$37,733.14 to Harris Construction Company, Ltd. ("Harris Construction") for the construction of Lake G to serve Pomona. After review and discussion, and upon recommendation by the engineer, Director Skinner moved to approve Pay Estimate No. 3 in the amount of \$37,733.14 to Harris Construction. Director Guillory seconded the motion, which passed by unanimous vote.

LAKE F PHASE 1 TO SERVE POMONA

Mr. Edwards reported on the construction of Lake F Phase 1 to serve Pomona. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$88,966.80 to Harris Construction for the construction of Lake F Phase 1 to serve Pomona. After review and discussion, and upon recommendation by the engineer, Director Skinner moved to approve Pay Estimate No. 1 in the amount of \$88,966.80 to Harris Construction. Director Guillory seconded the motion, which passed by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING TO SERVE POMONA, SECTIONS 9 AND 10, AND LIFT STATION NO. 2 TO SERVE POMONA

Mr. Edwards reported on the construction of water, sewer, and drainage facilities and paving to serve Pomona, Sections 9 and 10, and the construction of Lift Station No. 2 to serve Pomona. He reviewed and recommended approval of Change Order No. 1 to the contract with Clearwater Utilities, Inc. ("Clearwater Utilities") for the construction of water, sewer, and drainage facilities and paving to serve Pomona, Sections 9 and 10, and the construction of Lift Station No. 2 to serve Pomona, which resulted in no change to the initial contract amount with Clearwater Utilities. The Board determined that Change Order No. 1 is beneficial to the District. Mr. Edwards next recommended approval of Pay Estimate No. 1 in the amount of \$518,864.40 to Clearwater Utilities for

the construction of water, sewer, and drainage facilities and paving to serve Pomona, Sections 9 and 10, and the construction of Lift Station No. 2 to serve Pomona. After review and discussion, Director Skinner moved to (1) approve Change Order No. 1 to the contract with Clearwater Utilities, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (2) approve Pay Estimate No. 1 in the amount of \$518,864.40 to Clearwater Utilities. Director Guillory seconded the motion, which passed by unanimous vote.

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.

CLEARING AND GRUBBING TO SERVE POMONA PHASE 4 IMPROVEMENTS

Mr. Edwards reported on the clearing and grubbing to serve Pomona Phase 4 Improvements. He stated that bids were received for the clearing and grubbing to serve Pomona Phase 4 Improvements. Mr. Edwards recommended that the Board award the contract to the low bidder, K&K Earth Works, LLC ("K&K"), in the amount of \$556,087.50. The Board concurred that, in its judgment, K&K 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 Skinner moved to award the contract for the clearing and grubbing to serve Pomona Phase 4 Improvements to K&K in the amount of \$556,087.50, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Guillory seconded the motion, which passed by unanimous vote.

LAKE F PHASE 2 TO SERVE POMONA

Mr. Edwards reported on the plans for Lake F Phase 2 to serve Pomona. He stated LJA requests Board authorization to prepare construction plans and specifications for Lake F Phase 2 to serve Pomona. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by 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 LJA requests Board authorization to prepare construction plans and specifications for the Water Supply Plant No. 1, Phase 2 expansion project. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

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 the District. Mr. Edwards added that the portion of the project east of the Gulf Coast Water Authority Canal is within the District boundaries. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

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 the District. Mr. Edwards added that the portion of the project east of the Gulf Coast Water Authority Canal is within the District boundaries. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA, SECTION 12

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona, Section 12. He stated LJA requests Board

authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

PAVING TO SERVE POMONA, SECTION 12

Mr. Edwards reported on the plans for paving to serve Pomona, Section 12. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA, SECTION 13

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona, Section 13. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

PAVING TO SERVE POMONA, SECTION 13

Mr. Edwards reported on the plans for paving to serve Pomona, Section 13. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA, SECTION 14

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona, Section 14. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

PAVING TO SERVE POMONA, SECTION 14

Mr. Edwards reported on the plans for paving to serve Pomona, Section 14. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA, SECTION 15

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona, Section 15. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

PAVING TO SERVE POMONA, SECTION 15

Mr. Edwards reported on the plans for paving to serve Pomona, Section 15. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA, SECTION 16

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona, Section 16. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

PAVING TO SERVE POMONA, SECTION 16

Mr. Edwards reported on the plans for paving to serve Pomona, Section 16. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction

plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA PARKWAY, PHASE 4

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona Parkway, Phase 4. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

PAVING TO SERVE POMONA PARKWAY, PHASE 4

Mr. Edwards reported on the plans for paving to serve Pomona Parkway, Phase 4. He stated LJA requests Board authorization to prepare construction plans and specifications. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to authorize LJA to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by unanimous vote.

DEEDS AND EASEMENTS

No deeds or easements were submitted for Board approval.

REPORT ON DEVELOPMENT

Mr. Bynum reported on development in the District and discussed the potential annexation of an approximate 5 acres of land into the District.

ATTORNEY'S REPORT

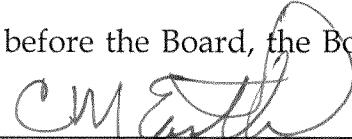
There was no report on this agenda item.

MEETING SCHEDULE

The Board concurred to conduct the next regular meeting on August 28, 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.





Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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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.

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
K and K Earth Works, LLC.
New Caney, 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. 40

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.

2149-4004
Clearing and Grubbing to serve Pomona Phase 4 Improvements

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2018-381758

Date Filed:
07/18/2018

Date Acknowledged:

5 Check only if there is NO Interested Party.

X

6 UNSWORN DECLARATION

My name is Chase Cook, and my date of birth is 11/13/85

My address is 23411 E. Community Dr. New Caney, TX 77357, mont
(street) (city) (state) (zip code) (country)

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

Executed in Montgomery, County, State of Texas, on the 18th day of July, 20 18
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)