

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 40

August 28, 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 28th day of August, 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 Director Kubala, thus constituting a quorum.

Also present at the meeting were Larry Collins and David Rodriguez, members of the public; David Smalling of Robert W. Baird & Co., Inc. ("RWB"); Katie Summers of TBG Partners ("TBG"); Blake Kridel of Storm Water Solutions, LLC ("SWS"); Rick Marriott of Si Environmental, LLC ("Si"); Rhonda Patterson 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 Tim Austin and Ashley Ramos of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approval of the minutes from the July 24, 2018, meeting. After discussion, Director Eastland moved to approve the July 24, 2018, minutes. 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. Mr. Bynum discussed proposed maintenance and storm water quality management services for Pomona Lake G and Mustang Bayou Phases I and II. The Board discussed amending their budget at the next meeting to include the proposed maintenance and storm water quality management services for Pomona Lake G and Mustang Bayou Phases I and II. Mr. Diaz noted expenses to be backcharged to the District from Brazoria County Municipal Utility District No. 39 for maintenance and storm water quality management services past expenses. 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. Patterson distributed and reviewed the tax assessor/collector's report for the month of August, a copy of which is attached.

DISCUSS 2018 TAX RATE, SET PUBLIC HEARING DATE AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Smalling distributed and reviewed a tax rate recommendation for 2018 with the Board, a copy of which is attached. He recommended that the Board provide notice of a maintenance and operations tax rate of \$1.50 per \$100 of assessed valuation. After review and discussion, Director Eastland moved to set the public hearing for adoption of the tax rate for September 25, 2018, and authorize mailing to residents of the District the notice of the public hearing regarding the adoption of a \$1.50 total tax rate for operations and maintenance. The motion was seconded by Director Guillory and carried unanimously.

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 Change Order No. 4 to the contract with Harris Construction Company, Ltd. ("Harris Construction") for the construction of Lake G to serve Pomona to increase the contract in the amount of \$17,726.00 to adjust the final quantities based on the actual work completed. The Board determined that Change Order No. 4 is beneficial to the District. Mr. Edwards then reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$41,771.26 to Harris Construction for the construction of Lake G to serve Pomona and recommended by the Board final acceptance of the project. After review and discussion, Director Skinner moved to (1) approve Change Order No. 4 in the amount of \$17,726.00 as an increase to the contract with Harris Construction, 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. 4 in the amount of \$41,771.26 to Harris Construction and final acceptance of the project. Director Eastland 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 Change Order No. 2 to the contract with Harris Construction Company, Ltd. ("Harris Construction") for the construction of Lake F Phase 1 to serve Pomona to increase the contract in the amount of \$975.00 to repair an existing inlet as requested by the developer. The Board determined that Change Order No. 2 is beneficial to the District. Mr. Edwards then reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$440,027.30 to Harris Construction for the construction of Lake F Phase 1 to serve Pomona. After review and discussion, Director Skinner moved to (1) approve Change Order No. 2 in the amount of \$975.00 as an increase to the contract with Harris Construction, 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. 2 in the amount of \$440,027.30 to Harris Construction. Director Eastland 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 recommended approval of Pay Estimate No. 2 in the amount of \$2,132,754.98 to 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. After review and discussion, Director Skinner moved to approve Pay Estimate No. 2 in the amount of \$2,132,754.98 to Clearwater Utilities. Director Eastland seconded the motion, which passed by unanimous vote.

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

Mr. Edwards reported on plans for the construction of water, sewer, and drainage facilities and paving to serve Pomona, Section 11. He stated LJA requests Board authorization to prepare construction plans and specifications for the construction of water, sewer, and drainage facilities and paving to serve Pomona, Section 11 and to authorize LJA to advertise the project for bids. Following review and discussion, and based on the engineer's recommendation, Director Skinner moved to (1) authorize LJA to prepare construction plans and specifications; and (2) authorize LJA to advertise the project for bids. Director Eastland seconded the motion, which carried by unanimous vote.

CLEARING AND GRUBBING TO SERVE POMONA PHASE 4 IMPROVEMENTS

Mr. Edwards reported on the clearing and grubbing to serve Pomona Phase 4 Improvements.

LAKE F PHASE 2 TO SERVE POMONA

Mr. Edwards reported on the plans for Lake F Phase 2 to serve Pomona.

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 design is underway.

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 design is underway.

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 design is underway.

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, stating design is underway.

PAVING TO SERVE POMONA, SECTION 12

Mr. Edwards reported on the plans for paving to serve Pomona, Section 12, stating design is underway.

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, stating design is underway.

PAVING TO SERVE POMONA, SECTION 13

Mr. Edwards reported on the plans for paving to serve Pomona, Section 13, stating design is underway.

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, stating design is underway.

PAVING TO SERVE POMONA, SECTION 14

Mr. Edwards reported on the plans for paving to serve Pomona, Section 14, stating design is underway.

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, stating design is underway.

PAVING TO SERVE POMONA, SECTION 15

Mr. Edwards reported on the plans for paving to serve Pomona, Section 15, stating design is underway.

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, stating design is underway.

PAVING TO SERVE POMONA, SECTION 16

Mr. Edwards reported on the plans for paving to serve Pomona, Section 16, stating design is underway.

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, stating design is underway.

PAVING TO SERVE POMONA PARKWAY, PHASE 4

Mr. Edwards reported on the plans for paving to serve Pomona Parkway, Phase 4, stating design is underway.

PHASE 3 LANDSCAPE TO SERVE POMONA

Ms. Summers introduced herself to the Board and presented and reviewed a report from TBG, a copy of which is attached.

Ms. Summers reported on the plans for Phase 3 landscape to serve Pomona. She requested Board authorization to prepare construction plans and specifications. Following review and discussion, Director Skinner moved to authorize TBG to prepare construction plans and specifications. Director Guillory seconded the motion, which carried by a 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. Discussion ensued regarding the preparation by LJA of a feasibility study for the proposed annexation of an approximate 5 acres of land into the District. Following discussion, Director Skinner moved to authorize LJA to prepare the feasibility study for the proposed annexation. Director Eastland seconded the motion, which passed by unanimous vote.

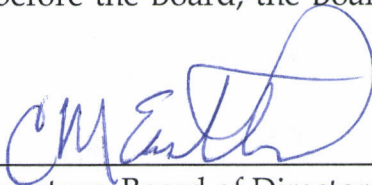
ATTORNEY'S REPORT

Mr. Austin reported on City of Manvel matters.

MEETING SCHEDULE

The Board concurred to conduct the next regular meeting on September 25, 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

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes <u>Page</u>
Bookkeeper's report.....	1
Tax assessor/collector's report.....	2
Tax rate recommendation for 2018.....	2
Engineer's Report.....	2
Report from TBG.....	6



TBG

MONTHLY STATUS REPORT

DATE: August 28, 2018

PROJECT: Pomona Development

OWNER: Brazoria County MUD No.40
Contact: ABHR
3200 Southwest Fwy.
Houston, TX 77027

**LANDSCAPE
ARCHITECT:**

Blake Coleman
Katie Summers
TBG Partners
3050 Post Oak Blvd., Suite 1100
Houston, Texas 77056
Phone: 713-439-0027
Fax: 713-439-0067

COPY TO:

Board Members
Brian Edwards – LJA
Tim Austin – ABHR
Russell Bynum- Hillwood
Scott Wright-- MHI
Blake Coleman – TBG Partners
Katie Summers- TBG Partners

	NOTES:
1	<p>(H17478) Phase 3 Landscape:</p> <p>- TBG is requesting authorization to design for Phase 3 Landscape.</p> <hr/> <p>Contract Date TBD Completion Date Schematic Design</p> <p>Completion Rate N/A Contract Amount TBD</p>

Please contact Katie Summers at 713-439-0027 for additions or revisions