

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 40

October 23, 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 23rd day of October, 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 Skinner, 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"); Donna Bryant of Assessments of the Southwest, Inc. ("ASW"); 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 September 25, 2018, meeting. After discussion, Director Kubala moved to approve the September 25, 2018, minutes. Director Eastland 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 Eastland moved to approve the bookkeeper's report and the payment of bills. Director Kubala 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 October, a copy of which is attached. Following review and discussion, Director Eastland moved to accept the tax assessor/collector's report. Director Collins seconded the motion, which carried by unanimous vote.

DISCUSS CHANNEL AND DETENTION POND MAINTENANCE

There was no report on this agenda item.

ENGINEER'S REPORT

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

LAKE F PHASE 1 TO SERVE POMONA

Mr. Edwards reported on the construction of Lake F Phase 1 to serve Pomona. Mr. Edwards reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$231,283.92 to Harris Construction Company, Ltd. ("Harris Construction") for the construction of Lake F Phase 1 to serve Pomona. After review and discussion, Director Kubala moved to approve Pay Estimate No. 3 in the amount of \$231,283.92 to Harris Construction. Director Collins 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. 4 in the amount of \$801,323.82 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. Mr. Edwards reviewed and recommended approval of Change Order No. 2 to the contract with 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 to increase the contract in the amount of \$99,955.00 to (1) replace the standard Texas Department of Transportation pedestrian railing with custom railing, columns, and gates per the developer's request, (2) install brick pavers to the roadway, per the developer's request, (3) additional costs for extending electrical duct bank to the final meter pole location, (4) installation of a temporary propane tank until the natural gas service line is installed, and (5) adjustment of quantities for irrigation sleeves. The Board determined that Change Order No. 2 is beneficial to the District. After review and discussion, Director Kubala moved to (1) approve Pay Estimate No. 4 in the amount of \$801,323.82 to Clearwater Utilities; and (2) approve Change Order No. 2 in the amount of \$99,955.00 as an increase 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. Director Collins 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 the construction of water, sewer, and drainage facilities and paving 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 recommended approval of Pay Estimate No. 1 in the amount of \$16,087.50 to K&K Earth Works, LLC ("K&K Earth Works") for the clearing and grubbing to serve Pomona Phase 4 Improvements. Following review and discussion, Director Kubala moved to approve Pay Estimate No. 1 in the amount of \$16,087.50 to K&K Earth Works for the clearing and grubbing to serve Pomona Phase 4 Improvements. Director Collins seconded the motion, which carried by unanimous vote.

LAKE F PHASE 2 TO SERVE POMONA

Mr. Edwards reported on the construction of Lake F Phase 2 to serve Pomona. He stated that bids were received for construction of Lake F Phase 2 to serve Pomona. Mr. Edwards recommended that the Board award the contract to the low bidder, Bilberry Construction, LLC ("Bilberry"), in the amount of \$1,439,267.50. The Board concurred that, in its judgment, Bilberry 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 Kubala moved to award the contract for construction of Lake F Phase 2 to serve Pomona to Bilberry in the amount of \$1,439,267.50, 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 Collins seconded the motion, which passed by unanimous vote.

WATER SUPPLY PLANT NO. 1, PHASE 2

Mr. Edwards reported on the plans for the Water Supply Plant No. 1, Phase 2 expansion project, stating design is ongoing.

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

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona Parkway, Phase 3. He stated the proposed project includes the extension of Pomona Parkway across the Gulf Coast Water Authority Canal and into 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 ongoing.

PAVING TO SERVE POMONA PARKWAY, PHASE 3

Mr. Edwards reported on the plans for paving to serve Pomona Parkway, Phase 3. He stated the proposed project includes the extension of Pomona Parkway across the Gulf Coast Water Authority Canal and into 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 ongoing.

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 ongoing.

PAVING TO SERVE POMONA, SECTION 12

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

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 ongoing.

PAVING TO SERVE POMONA, SECTION 13

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

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 ongoing.

PAVING TO SERVE POMONA, SECTION 14

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

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 ongoing.

PAVING TO SERVE POMONA, SECTION 15

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

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 ongoing.

PAVING TO SERVE POMONA, SECTION 16

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

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 ongoing.

PAVING TO SERVE POMONA PARKWAY, PHASE 4

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

LANDSCAPE ARCHITECT'S REPORT

There was no landscape architect's report presented to the Board.

PHASE 3 LANDSCAPE TO SERVE POMONA

Mr. Wright updated the Board regarding the plans for Phase 3 landscape to serve Pomona.

DEEDS AND EASEMENTS

No deeds or easements were submitted for Board approval.

REPORT ON DEVELOPMENT

Mr. Wright reported on development in the District.

ANNEXATION OF APPROXIMATE 5 ACRES OF LAND INTO THE DISTRICT,
INCLUDING APPROVE FEASIBILITY STUDY; ADOPT ORDER ADDING LAND AND
AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM; AND ACCEPT
WAIVER OF SPECIAL APPRAISAL

Mr. Austin updated the Board regarding the proposed annexation of approximately 5 acres of land into the District. Mr. Edwards distributed and reviewed a feasibility analysis regarding the annexation, a copy of which is attached. Following review and discussion, Director Guillory moved to approve the feasibility analysis. Director Eastland seconded the motion, which carried by unanimous vote.

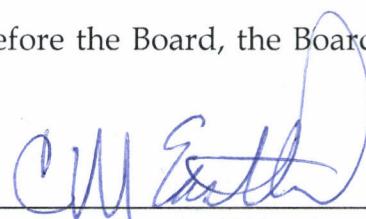
ATTORNEY'S REPORT

There was no report on this agenda item.

MEETING SCHEDULE

The Board concurred to conduct the next regular meeting on November 27, 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

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Tax assessor/collector's report.....	1
Engineer's Report.....	2
Feasibility analysis	6

