

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 40

November 14, 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 14th day of November, 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, thus constituting a quorum.

Also present at the meeting were David Rodriguez, a member of the public; Brittni Silva of Assessments of the Southwest, Inc. ("ASW"); Katie Summers of TBG Partners ("TBG"); Russell Bynum of Hillwood Communities; 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 October 23, 2018, meeting. After discussion, Director Eastland moved to approve the October 23, 2018, minutes. Director Guillory seconded the motion, which carried by unanimous vote.

ORDER CANVASSING THE RETURNS AND DECLARING RESULTS OF BOND ELECTIONS, PARK BOND ELECTION, ROAD BOND ELECTION, AND OPERATION AND MAINTENANCE TAX ELECTIONS

The Board reviewed the certified returns from Brazoria County for the District's November 6, 2018 Bond Elections and Operation and Maintenance Tax Elections. Mr. Austin presented an Order Canvassing the Returns and Declaring Results of Bond Elections and Operation and Maintenance Tax Elections. He then reviewed the results of the election as certified by Brazoria County and reported that Proposition A authorizing the issuance of \$275,000,000 in water, sewer, and drainage bonds passed by a vote of 1 for and 0 against. Mr. Austin next reviewed the results of the election as certified by Brazoria County and reported that Proposition B authorizing the issuance of \$80,000,000 in recreational facilities bonds passed by a vote of 2 for and 0 against. He then reviewed the results of the election as certified by Brazoria County and reported

that Proposition C authorizing the issuance of \$100,000,000 in road bonds did not pass due to a vote of 1 for and 1 against. Mr. Austin next reviewed the results of the election as certified by Brazoria County and reported that Proposition D authorizing the issuance of an operation and maintenance tax for road facilities not to exceed \$0.25 per \$100 valuation of taxable property passed by a vote of 2 for and 0 against. Director Skinner, President of the Board, noted the completion of the canvass of the returns of the election pursuant to Section 67.004(g), Texas Election Code. After review and discussion, Director Skinner moved to adopt the Order Canvassing the Returns and Declaring Results of Bond Elections and Operation and Maintenance Tax Elections and direct that the Order be filed appropriately and retained in the District's official records. Director Kubala seconded the motion, which passed by unanimous vote. Mr. Austin noted the engineer and developer anticipates holding a road bond election in May of 2019.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Austin stated that the Texas Water Code requires the District to file an Amendment to the Information Form with Brazoria County and the TCEQ in order to reflect the amount of bonds issued by the District. He then reviewed the Amendment to the Information Form with the Board. After review and discussion, Director Collins moved that the Board authorize execution of the Amendment to the Information Form. Director Guillory seconded the motion, which passed 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. Silva distributed and reviewed the tax assessor/collector's report for the month of November, including a check presented for approval, a copy of which is attached. Following review and discussion, Director Skinner moved to approve the tax assessor/collector's report. Director Eastland 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. He reviewed and recommended approval of Change Order No. 3 to the contract with Harris Construction Company, Ltd. ("Harris") for the construction of Lake F Phase 1 to serve Pomona to increase the contract in the amount of \$49,700.00 for additional clearing and grubbing required to complete the project and final adjustment of quantities. The Board determined that Change Order No. 3 is beneficial to the District. After review and discussion, Director Eastland moved to approve Change Order No. 3 in the amount of \$49,700.00 as an increase to the contract with Harris, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Skinner 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. 5 in the amount of \$657,680.96 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 Eastland moved to approve Pay Estimate No. 5 in the amount of \$657,680.96 to Clearwater Utilities. Director Skinner 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. 2 in the amount of \$64,350.00 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 Eastland moved to approve Pay Estimate No. 2 in the amount of \$64,350.00 to

K&K Earth Works for the clearing and grubbing to serve Pomona Phase 4 Improvements. Director Skinner 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.

WATER SUPPLY PLANT NO. 1, PHASE 2

Mr. Edwards reported on the plans for the Water Supply Plant No. 1, Phase 2 expansion project. He stated LJA requests Board authorization to prepare construction plans and specifications for the Water Supply Plant No. 1, Phase 2 expansion project and to authorize LJA to advertise the project for bids. Following review and discussion, and based on the engineer's recommendation, Director Eastland moved to (1) authorize LJA to prepare construction plans and specifications; and (2) authorize LJA to advertise the project for bids. Director Skinner 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 for the construction of water, sewer, and drainage facilities to serve Pomona Parkway, Phase 3, and to authorize LJA to advertise the project for bids. Mr. Edwards added that the project will be combined into a bid package with the Pomona Parkway, Phase 3, paving project, the Pomona, Section 13, water, sewer, and drainage facilities project, and the Pomona, Section 15, water, sewer, and drainage facilities and paving project. Following review and discussion, and based on the engineer's recommendation, Director Eastland moved to (1) authorize LJA to prepare construction plans and specifications; and (2) authorize LJA to advertise the project for bids. Director Skinner 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 for paving to serve Pomona Parkway, Phase 3, and to authorize LJA to advertise the project for bids. Mr. Edwards added that the project will be combined into a bid package with the Pomona Parkway, Phase 3, water, sewer, and drainage facilities project, the Pomona, Section 13, water, sewer, and drainage facilities project, and the Pomona, Section 15, water, sewer, and drainage facilities and paving project. Following review and discussion, and based on the engineer's recommendation, Director Eastland moved to (1) authorize LJA to prepare construction plans and specifications; and (2) authorize LJA to advertise the project for bids. Director Skinner 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, 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. He stated LJA requests Board authorization to prepare construction plans and specifications for water, sewer, and drainage facilities to serve Pomona, Section 13, and to authorize LJA to advertise the project for bids. Mr. Edwards added that the project will be combined into a bid package with the Pomona Parkway, Phase 3, water, sewer, and drainage facilities project, the Pomona Parkway, Phase 3, paving project, and the Pomona, Section 15, water, sewer, and drainage facilities and paving projects. Following review and discussion, and based on the engineer's recommendation, Director Eastland moved to (1) authorize LJA to prepare construction plans and specifications; and (2) authorize LJA to advertise the project for bids. Director Skinner 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, stating the project is planned to be gated and the roads will be private.

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. He stated LJA requests Board authorization to prepare construction plans and specifications for water, sewer, and drainage facilities to serve Pomona, Section 15, and to authorize LJA to advertise the project for bids. Mr. Edwards added that the project will be combined into a bid package with the Pomona Parkway, Phase 3, water, sewer, and drainage facilities project, the Pomona Parkway, Phase 3, paving project, the Pomona, Section 13, water, sewer, and drainage facilities project, and the Pomona, Section 15, paving project. Following review and discussion, and based on the engineer's recommendation, Director Eastland moved to (1) authorize LJA to prepare construction plans and specifications; and (2) authorize LJA to advertise the project for bids. Director Skinner 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 for paving to serve Pomona, Section 15, and to authorize LJA to advertise the project for bids. Mr. Edwards added that the project will be combined into a bid package with the Pomona Parkway, Phase 3, water, sewer, and drainage facilities project, the Pomona Parkway, Phase 3, paving project, the Pomona, Section 13, water, sewer, and drainage facilities project, and the Pomona, Section 15, water, sewer, and drainage facilities project. Following review and discussion, and based on the engineer's recommendation, Director Eastland moved to (1) authorize LJA to prepare construction plans and specifications; and (2) authorize LJA to advertise the project for bids. Director Skinner 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, 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

Ms. Summers presented and reviewed a report from TBG, a copy of which is attached.

PHASE 3 LANDSCAPE TO SERVE POMONA

Ms. Summers updated the Board regarding the plans for Phase 3 landscape to serve Pomona. She stated that bids were received for construction of Phase 3 landscape to serve Pomona. Ms. Summers recommended that the Board award the contract to Earthfirst Landscape, LLC ("Earthfirst") in the amount of \$289,531.00. The Board concurred that, in its judgment, Earthfirst 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 Collins moved to award the contract for construction of Phase 3 landscape to serve Pomona to Earthfirst in the amount of \$289,531.00, based upon the landscape architect'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.

DEEDS AND EASEMENTS

Mr. Edwards stated that Pomona Phase 4, LLC will grant a 19.597-acre Temporary Drainage and Detention Easement to the District. After review and discussion, Director Eastland moved to authorize acceptance of a 19.597-acre Temporary Drainage and Detention Easement from Pomona Phase 4, LLC, and direct that the Easement be filed appropriately and retained in the District's official records. Director Kubala seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

Mr. Bynum 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.

ATTORNEY'S REPORT

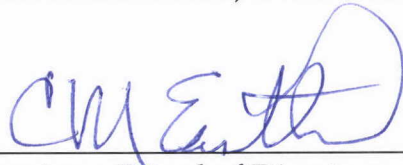
There was no report on this agenda item.

MEETING SCHEDULE

The Board concurred to conduct the next regular meeting on December 18, 2018, at 2:00 p.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.....	2
Tax assessor/collector's report	2
Engineer's Report.....	3
TBG Report.....	7