

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 40

December 18, 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 18th day of December, 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 Larry Collins, a member of the public; Donna Bryant of Assessments of the Southwest, Inc. ("ASW"); Rick Marriott of Si Environmental, LLC ("Si"); Scott Wright of MHI Partnership, Ltd. ("MHI"); Blake Coleman of TBG Partners ("TBG"); Russell Bynum of Hillwood Communities; Brian Edwards of LJA Engineering, Inc.; Jorge Diaz and Pamela Redden 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 November 14, 2018, meeting. After discussion, Director Skinner moved to approve the November 14, 2018, minutes. Director Guillory seconded the motion, which carried by unanimous vote.

REPORT FROM ACCLAIM ENERGY AND APPROVE CONTRACT WITH ELECTRICITY PROVIDER

Discussion of this item was deferred to the next meeting.

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 Skinner seconded the motion, which passed unanimously.

EMINENT DOMAIN REPORT

Ms. Lutz reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Bryant distributed and reviewed the tax assessor/collector's report for the month of December, including a check presented for approval, a copy of which is attached. Following review and discussion, Director Guillory moved to approve the tax assessor/collector's report. Director Kubala 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. 4 and Final in the amount of \$65,540.88 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. 4 in the amount of \$65,540.88 to Harris Construction and final acceptance of the project. 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 reviewed and recommended approval of Change Order No. 3 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 to decrease the contract in the amount of \$142,340.57 for the final adjustment of quantities based on the actual work completed. The Board determined that Change Order No. 3 is beneficial to the District. Mr. Edwards recommended approval of Pay Estimate No. 6 and Final in the amount of \$352,494.39 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 Kubala moved to (1) approve Change Order No. 3 in the amount of \$142,340.57 as a decrease 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. 6 and Final in the amount of \$352,494.39 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. 3 in the amount of \$139,579.42 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. 3 in the amount of \$139,579.42 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 that bids were received for construction of the Water Supply Plant No. 1, Phase 2 expansion project. Mr. Edwards recommended that the Board award the contract to the low bidder, Gemini Contracting Services, Inc. ("Gemini"), in the amount of \$363,320.00. The Board concurred that, in its judgment, Gemini 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 the Water Supply Plant No. 1, Phase 2 expansion project to Gemini in the amount of \$363,320.00, 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 Skinner seconded the motion, which passed by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE POMONA PARKWAY, PHASE 3 AND POMONA, SECTIONS 13 AND 15, CONSTRUCTION OF PAVING TO SERVE POMONA PARKWAY, PHASE 3 AND POMONA, SECTION 15, AND CONSTRUCTION OF A SECTION OF PAVING WITHIN A PUBLIC PORTION OF POMONA, SECTION 13

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities to serve Pomona Parkway, Phase 3, and Pomona, Sections 13 and 15, construction of paving to serve Pomona Parkway, Phase 3 and Pomona, Section 15, and construction of a section of paving within a public portion of Pomona, Section 13. He stated that bids were received for the project. Mr. Edwards recommended that the Board award the contract to the low bidder, Clearwater Utilities in the amount of \$6,913,995.19. The Board concurred that, in its judgment, Clearwater Utilities 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 water, sewer, and drainage facilities to serve Pomona Parkway, Phase 3, and Pomona, Sections 13 and 15, construction of paving to serve Pomona Parkway, Phase 3 and Pomona, Section 15, and construction of a section of paving within a public portion of Pomona, Section 13, to Clearwater Utilities in the amount of \$6,913,995.19, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Skinner seconded the motion, which passed 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.

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 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

Mr. Coleman reported on landscape architect matters.

PHASE 3 LANDSCAPE TO SERVE POMONA

Mr. Coleman updated the Board regarding the construction of Phase 3 landscape to serve Pomona.

DEEDS AND EASEMENTS

No deeds or easements were submitted for Board approval.

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

Ms. Lutz updated the Board regarding the proposed annexation of approximately 5 acres of land into the District.

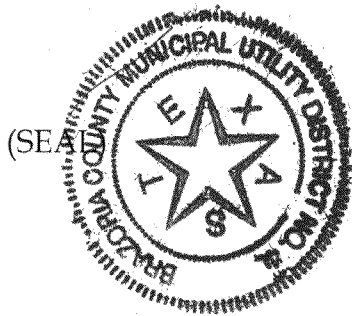
ATTORNEY'S REPORT

There was no report on this agenda item.

MEETING SCHEDULE

The Board concurred to conduct the next regular meeting on January 22, 2019, 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

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