

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 39

May 28, 2019

The Board of Directors ("Board") of Brazoria County Municipal Utility District No. 39 (the "District") met in regular session, open to the public, on the 28th day of May, 2019, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Nancy Davis	President
Danny Traylor	Vice President
Michael Yu	Secretary
Terry Reeves	Assistant Secretary
Jordan Nightingale	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Manny Bourque and Kelly Carter, residents of the District; Alice and Larry Collins, members of the public; Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Jan Bartholomew of Robert W. Baird & Co. Incorporated; Russell Bynum of Hillwood Communities; Rick Marriott of Si Environmental, LLC ("Si"); Donna Bryant of Assessments of the Southwest, Inc. ("ASW"); Brian Edwards of LJA Engineering, Inc.; Scott Wright of MHI Partnership, Ltd.; Katie Summers of TBG Partners ("TBG"); Angela Lutz and Linda Sotirake of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approval of the April 23, 2019, meeting minutes. After review and discussion, Director Davis moved to approve the April 23, 2019, meeting minutes. Director Traylor seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

OPERATOR'S REPORT

Mr. Marriott reviewed the operator's report, a copy of which is attached. He reported on maintenance and repairs completed during the previous month.

Ms. Lutz reviewed with the Board the Critical Load Spreadsheet for the District's facilities. She noted that the District's bookkeeper, engineer, and operator have reviewed and approved the Critical Load Spreadsheet.

Mr. Marriott presented and reviewed a draft Consumer Confidence Report ("CCR") to be mailed to District residents and filed with the Texas Commission on Environmental Quality ("TCEQ") by July 1, 2019.

After review and discussion, Director Traylor moved to (1) approve the operator's report; (2) authorize the annual filing of the Critical Load Spreadsheet, and direct that the Critical Load Spreadsheet be filed appropriately and retained in the District's official records; and (3) approve the CCR, subject to final review, and authorize the operator to mail the approved CCR to District customers and file with the TCEQ. Director Davis seconded the motion, which passed by unanimous vote.

#### HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Marriott presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Traylor moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Davis, which passed by unanimous vote.

#### BOOKKEEPER'S REPORT

Mr. Burton then presented the bookkeeper's report and submitted the bills for the Board's review. A copy of the bookkeeper's report is attached.

Ms. Lutz presented and reviewed with the Board the District's Code of Ethics and Travel Reimbursement Guidelines. The Board discussed the Association of Water Board Directors ("AWBD") summer conference, including expenses eligible for reimbursement.

After discussion, Director Yu moved to (1) approve the bookkeeper's report and the payment of bills; and (2) authorize reimbursement of up to four per diems and three hotel nights for director attendance at the AWBD summer conference. Director Davis seconded the motion, which passed by unanimous vote.

#### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Bryant distributed and reviewed the monthly tax assessor/collector's report, a copy of which is attached. She stated that the report reflects the District's 2018 taxes were 99.56% collected as of April 30, 2019. After review and discussion, Director Reeves moved to approve the tax assessor/collector's report and the checks presented

for payment. Director Nightingale seconded the motion, which passed by unanimous vote.

CHANNEL AND DETENTION POND MAINTENANCE

There was no report on this agenda item.

ENGINEER'S REPORT

Mr. Edwards reviewed an engineering report, a copy of which is attached.

WASTEWATER TREATMENT PLANT, PHASE 2 TO SERVE POMONA

Mr. Edwards reported on the construction of the Wastewater Treatment Plant, Phase 2 to serve Pomona. He noted the District has a lease agreement with AUC Group, Inc. ("AUC Group") for the wastewater treatment plant. Mr. Edwards added AUC Group is requesting that the initial term of the lease agreement begin on May 1, 2019. He stated a full wastewater treatment plant startup inspection was held on May 24, 2019 and the leased equipment was demonstrated to be operational. Mr. Edwards stated LJA recommends Board authorization for the initial term of the lease agreement with AUC Group to begin on May 1, 2019. He next reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$11,165.25 to Gilleland Smith Construction, Inc. ("Gilleland"). Following review and discussion, and based upon recommendation by the engineer, Director Traylor moved to (1) authorize the commencement of the initial term of the lease agreement with AUC Group to begin on May 1, 2019; and (2) approve Pay Estimate No. 5 in the amount of \$11,165.25 to Gilleland for the construction of the Wastewater Treatment Plant, Phase 2 to serve Pomona. Director Davis seconded the motion, which carried by unanimous vote.

WATER REUSE APPLICATION

Mr. Edwards reported on the status of the water reuse application, which requests authorization from the TCEQ to utilize the wastewater treatment plant effluent to irrigate the tree farm adjacent to the facility. He stated the application was submitted to the TCEQ on April 18, 2019.

WATER SUPPLY PLANT NO. 1, PHASE 2

Mr. Edwards updated the Board regarding the construction of the Water Supply Plant No. 1, Phase 2 expansion project. He stated no pay estimates were submitted by Gemini Contracting Services, Inc., for Board approval.

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

Mr. Edwards updated the Board regarding the construction of water, sewer, and drainage facilities and paving to serve Pomona Parkway, Phase 3. He stated no pay estimates were submitted by Clearwater Utilities, Inc., for Board approval.

CROIX PARKWAY WATER LINE EXTENSION AND STORM SEWER OUTFALL

Mr. Edwards reported on the plans for the Croix Parkway water line extension and storm sewer outfall project. He stated LJA plans to begin advertising the project on May 31, 2019.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING TO SERVE POMONA, SECTION 16, INCLUDING APPROVAL OF COST SHARING AGREEMENT

Mr. Edwards reported on the plans for the construction of water, sewer, and drainage facilities and paving to serve Pomona, Section 16. Ms. Lutz presented a Cost Sharing Agreement for water, sanitary sewer, and drainage facilities to serve Pomona, Section 16 ("CSA") between the District, Brazoria Municipal Utility District No. 40, and Pomona Phase 4, LLC for approval. Following review and discussion, Director Traylor moved to approve the CSA, and direct that the agreement be filed appropriately and retained in the District's official records. Director Davis seconded the motion, which passed by unanimous vote.

CLEARING AND GRUBBING TO SERVE BIG ISLAND TRACTS

Mr. Edwards reported on the plans for clearing and grubbing to serve Big Island Tracts. He requested Board authorization to prepare construction plans and specifications for the clearing and grubbing to serve Bid Island Tracts. Mr. Edwards next requested Board approval of the construction plans and specifications for the clearing and grubbing to serve Big Islands Tracts and requested Board authorization for LJA to advertise the project for bids. Following review and discussion, and based on the engineer's recommendation, Director Traylor moved to (1) authorize preparation of the construction plans and specifications; (2) approve the plans and specifications; and (3) authorize LJA to advertise the project for bids. Director Davis seconded the motion, which carried by unanimous vote.

UPDATE ON BOND APPLICATION NO. 3

Mr. Edwards updated the Board regarding Bond Application No. 3.

#### AUTHORIZE ENGINEER TO PREPARE ROAD BOND APPLICATION NO. 4

Mr. Edwards presented and reviewed a proposal in the amount of \$20,000, including reimbursable expenses, for engineering services related to Road Bond Issue No. 4. Following review and discussion, Director Traylor moved to approve the proposal in the amount of \$20,000 for engineering services related to Road Bond Issue No. 4. Director Davis seconded the motion, which carried by unanimous vote.

#### AUTHORIZE ENGINEER TO PREPARE BOND APPLICATION NO. 4

Mr. Edwards presented and reviewed a proposal in the amount of \$50,000 for engineering fees, including reimbursable expenses, related to the preparation of Bond Application Report No. 4, based upon the Engineering Service Agreement between LJA and the District. Following review and discussion, Director Traylor moved to approve the proposal from LJA and to authorize LJA to prepare Bond Application Report No. 4. Director Davis seconded the motion, which carried by a unanimous vote.

#### LANDSCAPE ARCHITECT'S REPORT

Ms. Summers presented and reviewed a report on landscape matters, a copy of which is attached.

#### PHASE 4 POMONA PARKWAY

Ms. Summers reported on the plans for landscaping improvements to serve Phase 4 Pomona Parkway. She stated TBG requests Board authorization to approve plans and specifications for landscaping improvements to serve Phase 4 Pomona Parkway and to authorize TBG to advertise the project for bids. Following review and discussion, and based on the landscape architect's recommendation, Director Davis moved to (1) approve plans and specifications for landscaping improvements to serve Phase 4 Pomona Parkway; and (2) authorize TBG to advertise the project for bids. Director Yu seconded the motion, which carried by unanimous vote.

#### DEEDS AND EASEMENTS

Ms. Lutz stated the District received a proposal from Berg Oliver Associates, Inc. to conduct a Phase I Environmental Assessment on Pomona Section 5, Reserve A, and Pomona Section 7, Reserve C, which include the detention reserves for Pomona Lakes B and C. After review and discussion, Director Traylor moved to approve the proposal. Director Davis seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

Mr. Wright reported on development in the District.

ANNEXATION OF APPROXIMATELY 40 ACRES OF LAND INTO THE DISTRICT

Ms. Lutz presented the Order Adding Land adding approximately 40 acres to the District. The Board next considered approving an Amendment to the District's Information Form, reflecting the District's addition of land to the District. The Board next considered accepting a Waiver of Special Appraisal for the approximately 40 acres of land. After discussion, Director Yu moved to (1) approve the Oder Adding Land; (2) approve the Amendment to the District's Information Form and authorize filing with the Texas Commission on Environmental Quality and in the Brazoria County Deed Records; and (3) accept the Waiver of Special Appraisal. Director Taylor seconded the motion, which carried unanimously.

DISCUSS POTENTIAL WEBSITE FOR THE DISTRICT

The Board discussed a potential District website. Director Nightingale requested website proposals to be presented at the next meeting.

ATTORNEY'S REPORT

There being no further business to come before the Board, the Board concurred to adjourn the meeting.



  
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Secretary, Board of Directors

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