

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 39

June 25, 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 25th day of June, 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, except Director Reeves, thus constituting a quorum.

Also present at the meeting were Kelly Carter, a resident of the District; Alice and Larry Collins, members of the public; Allen DeJonge of Off Cinco; 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 Ashley Ramos of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approval of the May 28, 2019, meeting minutes. After review and discussion, Director Davis moved to approve the May 28, 2019, meeting minutes. Director Yu seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

PROPOSALS FOR POTENTIAL DISTRICT WEBSITE

Mr. DeJonge presented and reviewed a proposal from Off Cinco for the development of a District website, a copy of which is attached. Discussion ensued, including setup costs and website maintenance.

The Board next reviewed a proposal from eLsqrd Media Group for the development of a District website, a copy of which is attached.

After review and discussion, Director Traylor moved to approve the proposal from Off Cinco, reflecting the \$1,200 fixed layout development fee, and the unlimited updates billing format in the amount of \$150 per month. Director Nightingale seconded the motion, which passed unanimously.

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. After review and discussion, Director Davis moved to approve the operator's report. Director Nightingale 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 Davis 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 Nightingale, 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. Mr. Burton requested an item be added to next month's agenda to amend the budget for fiscal year end March 31, 2020. After discussion, Director Traylor moved to approve the bookkeeper's report and the payment of bills. Director Yu 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 99.61% collected as of May 31, 2019. After review and discussion, Director Davis 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.

AUTHORIZE DELINQUENT TAX ATTORNEY

The Board considered authorizing the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), to proceed with the collection of delinquent taxes owed to the District as of July 1, 2019. After discussion, Director Davis moved to authorize Perdue Brandon to proceed with the collection of outstanding delinquent taxes as of July 1, 2019. Director Nightingale seconded the motion, which carried unanimously.

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 the initial term of the lease agreement with AUC Group began on May 1, 2019. He stated the Texas Commission on Environmental Quality (the "TCEQ") final inspection will be held on June 27, 2019.

WASTEWATER TREATMENT PLANT, PHASE 3 TO SERVE POMONA

Mr. Edwards reported the wastewater treatment plant will need to be expanded in the near future to meet the wastewater demands of both the District and Brazoria County Municipal Utility District No. 40 ("MUD 40"). He stated the proposed expansion will increase the capacity of the facility from 0.250 million gallons per day ("MGD") to 0.375 MGD. Mr. Edwards stated the project will be completed by MUD 40 in accordance with the Joint Facilities/Cost Sharing Agreement between the District and MUD 40. He stated LJA requests authorization to prepare construction plans and specification for the wastewater treatment plant expansion project. Following review and discussion, Director Yu moved to authorize LJA to prepare plans and specifications for the project. Director Traylor 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 LJA received

the draft authorization from the TCEQ on June 7, 2019. Mr. Edwards added LJA and the District's consultants are currently reviewing the draft authorization.

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. Mr. Edwards stated that bids were received for construction of the Croix Parkway water line extension and storm sewer outfall project. He recommended that the Board award the contract to Blazey Construction Services, LLC ("Blazey") in the amount of \$329,078.60. The Board concurred that, in its judgment, Blazey 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 Yu moved to award the contract for construction of the Croix Parkway water line extension and storm sewer outfall project to Blazey in the amount of \$329,078.60, 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 Traylor seconded the motion, which passed by unanimous vote.

CONSTRUCTION OF WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING TO SERVE POMONA, SECTION 16

Mr. Edwards reported on the construction of water, sewer, and drainage facilities and paving to serve Pomona, Section 16.

CLEARING AND GRUBBING TO SERVE BIG ISLAND TRACTS

Mr. Edwards reported on the plans for clearing and grubbing to serve Big Island Tracts. He stated that bids were received for the clearing and grubbing to serve Big Island Tracts. Mr. Edwards recommended that the Board award the

contract to Double Oak Construction, Inc. ("Double Oak") in the amount of \$202,890.00. The Board concurred that, in its judgment, Double Oak 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. Ms. Lutz presented a Cost Sharing Agreement for clearing and grubbing to serve Big Island Tracts ("CSA") between the District, Brazoria Municipal Utility District No. 40, and Pomona Investments, LLC for approval. Following review and discussion, Director Yu moved to (1) award the contract for the clearing and grubbing to serve Big Island Tracts to Double Oak in the amount of \$202,890.00, 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; and (2) approve the CSA, and direct that the agreement be filed appropriately and retained in the District's official records. Director Traylor seconded the motion, which passed by unanimous vote.

UPDATE ON BOND APPLICATION NO. 3

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

ROAD BOND APPLICATION NO. 4

Mr. Edwards updated the Board regarding the preparation of road bond application no. 4.

BOND APPLICATION NO. 4

Mr. Edwards updated the Board regarding the preparation of Bond Application Report No. 4.

LANDSCAPE ARCHITECT'S REPORT

The Board reviewed a report on landscape matters, a copy of which is attached.

PHASE 4 POMONA PARKWAY

Ms. Summers stated TBG Partners ("TBG") received bids for the landscaping improvements to serve Phase 4 Pomona Parkway. She stated TBG recommended that the Board award the contract to Mobill Contractors ("Mobill") in the amount of \$365,171.00. The Board concurred that, in its judgment, Mobill 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 Davis moved to award the contract for the landscaping improvements to serve Phase 4 Pomona Parkway to Mobill in the amount of \$365,171.00, 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 Nightingale seconded the motion, which passed by unanimous vote.

DEEDS AND EASEMENTS

Ms. Lutz reviewed a 0.0092-acre Storm Sewer Easement and a 0.2774-acre Water Line Easement to be conveyed to the District from Pomona Phase 2A, LLC. She next reviewed a 0.0365-acre and 0.0410-acre Water Line Easement and a Special Warranty Deed for Pomona Section 5, Reserve A, and Pomona Section 7, Reserve C, which include the detention reserves for Pomona Lakes B and C, to be conveyed from MC 288, LLC to the District. Ms. Lutz then reviewed a 0.0918 Water Line Easement, which lists the District as both grantor and grantee. After review and discussion, Director Traylor moved to (1) authorize acceptance of the 0.0092-acre Storm Sewer Easement and 0.2774-acre Water Line Easement to be conveyed to the District from Pomona Phase 2A, LLC; (2) authorize acceptance of the 0.0365-acre and 0.0410-acre Water Line Easement and a Special Warranty Deed for Pomona Section 5, Reserve A, and Pomona Section 7, Reserve C, which include the detention reserves for Pomona Lakes B and C, to be conveyed from MC 288, LLC to the District; (3) authorize acceptance of the 0.0918 Water Line Easement; and (4) direct that the deed and easements be filed appropriately and retained in the District's official records. Director Traylor seconded the motion, which passed unanimously.

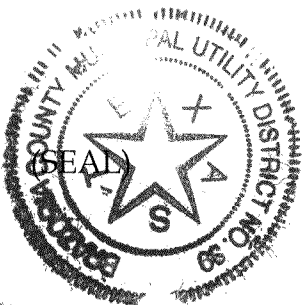
REPORT ON DEVELOPMENT

Mr. Bynum reported on development in the District.

ATTORNEY'S REPORT

There was no report on this agenda item.

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

	<u>Minutes</u>
	<u>Page</u>
Proposal from Off Cinco	1
Proposal from eLsqrd Media Group	2
Operator's report	2
Bookkeeper's report.....	2
Tax assessor/collector's report	2
Engineering report.....	3
Landscape Architect Report.....	5