

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

December 18, 2017

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 21 (the "District") met in regular session, open to the public, on the 18th day of December, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Delores Jenkins	President
Fatiyauh Jones	Vice President
John Cacolice	Assistant Vice President
Renae Medlock	Secretary
Noel DSouza	Assistant Secretary

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

Also present at the meeting were Christy and Kenny Wells of NJ Services, LLC ("NJ Services"); Greg Sissel of BKD, Inc.; Paul Reese of S.E.A.L. Security Solutions, LLC ("S.E.A.L."); Bill Ehler and Kane Mudd of LJA Engineering, Inc. ("LJA"); Ethan Springer of Friendswood Development Company ("FDC"); Lori Buckner of Myrtle Cruz, Inc. ("Myrtle Cruz"); Breah Campbell of Environmental Development Partners, LLC ("EDP"); Rhonda Patterson of Assessments of the Southwest, Inc. ("ASW"); Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR"); and Otavia Rhone of the Lakes of Savannah South Homeowners Association (the "HOA").

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA

Director Jenkins offered Board members an opportunity to remove items from the consent agenda for individual discussion. Director Cacolice moved to approve all items on the consent agenda, and to direct that, where appropriate, items are filed and retained in the District's official records, including the following: (1) the minutes from the November 20, 2017, regular Board meeting; (2) the bookkeeper's report; and (3) the tax assessor's report. Director DSouza seconded the motion, which carried by unanimous vote. Copies of all reports approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

There were no items removed from the consent agenda.

APPROVE AUDIT FOR FISCAL YEAR END AUGUST 31, 2017

Mr. Sissel reviewed a draft audit for the fiscal year ending August 31, 2017. After discussion, Director Jones moved to approve the audit, subject to final review. Director Cacolice seconded the motion, which carried by unanimous vote.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE

Ms. Carner reviewed the District's Travel Reimbursement Guidelines. After discussion, Director Jones moved to approve payment of director fees of office for up to three director fees of office, two hotel nights, and reasonable meals not provided by the conference at the winter AWBD conference. Director Cacolice seconded the motion, which carried by unanimous vote.

REPORT FROM NJ SERVICES ON DRAINAGE AND DETENTION FACILITY MAINTENANCE AND APPROVE AMENDMENT TO NJ SERVICES CONTRACT

Mr. Wells distributed and reviewed the detention facility maintenance report and stated the damaged concrete inlet pipe located east of the wastewater treatment plant has been replaced.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Carner reported ABHR will file the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

SECURITY SERVICES, INCLUDING PROPOSALS FOR SUPPLEMENTAL LAW ENFORCEMENT AND SECURITY SERVICES AND CONSIDER TERMINATION OF SERVICE AGREEMENT WITH S.E.A.L.

Mr. Reese reviewed a report from S.E.A.L., a copy of which is attached.

Mr. Reese left the meeting.

Ms. Carner stated the HOA is in the process of working with Brazoria County for supplemental law enforcement services provided by the Constable's Office, Precinct 4, and Brazoria County Municipal Utility District No. 22 ("BC MUD 22") has agreed to a cost sharing agreement for supplemental law enforcement services.

Ms. Rhone discussed the status of the Cost Sharing Agreement for Law Enforcement Services ("Agreement") with BC MUD 22. She requested financial assistance from the District for the one-time payment for the patrol vehicle as part of the Agreement with BC MUD 22. Ms. Rhone stated the total cost of the vehicle is \$47,344.01. Ms. Carner stated that BC MUD 22 will pay a percent of the cost for the

vehicle based on equivalent single family connections, which would be approximately \$12,000.00, leaving a balance of approximately \$35,344.00. Ms. Rhone stated the goal is to have the Agreement fully executed by February 2018.

After discussion, Director Jones moved to authorize ABHR to prepare an agreement for the District to make a one-time payment of the HOA's share of the cost of the patrol vehicle, approximately \$35,344.00, to the HOA. Director Medlock seconded the motion, which carried by unanimous vote.

ENGINEER'S REPORT

Mr. Ehler distributed the engineer's report, a copy of which is attached.

APPROVE PLANS AND SPECIFICATIONS FOR THE WASTEWATER TREATMENT PLANT ("WWTP") EXPANSION

Mr. Ehler stated that LJA has completed the plans and specifications for the expansion of the WWTP from .50 mgd to .75 mgd. He stated LJA has received approval from all agencies. Mr. Ehler stated he will request authorization to advertise for bids once the demand on the system warrants the expansion.

APPROVE PLANS AND SPECIFICATIONS FOR THE REPAIR OF DETENTION POND EROSION AT LAKE 2

Mr. Ehler stated that LJA has completed the plans for the repair and control of the erosion of the side slopes at lake 2. He reported that LJA has addressed comments from Brazoria County and the City of Pearland ("City") and has received a no objection letter from Brazoria County Drainage District No. 4. Mr. Ehler presented samples of pavestone to color match the existing blocks. After discussion, the Board concurred to choose the light terracotta colored stone.

REVIEW BIDS AND AWARD CONTRACT FOR WATER PLANT HYDRO-PNEUMATIC AND GROUND STORAGE TANK REHABILITATION

Mr. Ehler stated that LJA has completed the plans and specifications and will bid the project once the water plant expansion is completed.

PAY ESTIMATES, CHANGE ORDERS FOR THE REVERSE OSMOSIS EQUIPMENT

Mr. Ehler stated that Wigen Water Technologies ("WWT") is the equipment supplier for the reverse osmosis project. He stated that the installation of the new poster pumps is complete and WWT will initiate the start-up of the RO system after the new year.

Mr. Ehler stated that WWT previously requested a payment in the amount of \$42,743.83, as Pay Estimate No. 5 to reduce the retainage to 5%, which the Board

approved at the last meeting. However, Mr. Ehler requested the check to WWT in the amount of \$42,783.83 be voided and a new check issued to WWT, in the amount of \$66,056.09, to reduce the retainage to approximately 2.5%, subject to receipt of a pay estimate documenting the reduction and a schedule for completion of the remaining work. Mr. Ehler stated the total amount of the contract has not changed, but WWT is requesting a payment at this time.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR THE CONSTRUCTION OF THE REVERSE OSMOSIS SYSTEM

Mr. Ehler stated the contractor for this project is JTR Constructors and updated the Board on the status and revised timeline of this project. He stated there were no new pay estimates or change orders at this time.

PAY ESTIMATES, CHANGE ORDERS FOR THE REVERSE OSMOSIS SYSTEM BOOSTER PUMP ADDITION

Mr. Ehler stated that Neil Technical Services Corporation is the contractor for booster pump addition. He stated the notice to proceed was issued on October 6, 2017, and the final completion date is January 4, 2018.

PAY ESTIMATES, CHANGE ORDERS FOR THE GENERATOR FOR REMOTE WATER WELL

Mr. Ehler stated that McDonald Municipal & Industrial is the contractor for the installation of the natural gas generator for the remote water well. He stated the final pay estimate has not been received.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR WATER PLANT EXPANSION

Mr. Ehler stated the contractor for this project is Bussel & Sons, LLC, and includes the construction of a ground storage tank, new booster pump, hydro-tank and associated equipment. He stated the final inspection was held on October 19, 2017 and punch list items have been addressed.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR THE IMPROVEMENTS FOR WWTP ACCESS ROAD

Mr. Ehler updated the Board on the WWTP access road project and stated the project is complete. Director Jenkins stated there are tires piled on the property near the access road. Mr. Ehler stated LJA will investigate the property line to verify who owns the property where the tires are located.

RENEWAL OF TEXAS POLLUTION DISCHARGE ELIMINATION SYSTEM PERMIT

Mr. Ehler stated the WWTP discharge permit will expire on September 1, 2018, and LJA is finalizing the renewal application. He requested authorization to execute the WWTP Discharge Permit Renewal application for submission to the Texas Commission on Environmental Quality ("TCEQ").

Following review and discussion, Director Jones moved to approve the engineer's report and authorize execution of the WWTP Discharge Permit Renewal application for the submission to the TCEQ. Director DSouza seconded the motion, which carried by unanimous vote.

DEEDS, EASEMENTS, AND PHASE I ENVIRONMENTAL ASSESSMENT PROPOSAL

The Board did not have any deeds and easements at this time.

UTILITY COMMITMENT REQUESTS

Mr. Ehler stated LJA has reviewed the plans and submitted comments for a proposed retail and convenience store located at the northwest corner of Highway 6 and Savannah Parkway. He stated there was an additional request by MA & Sons Retail Center to review plans for two retail buildings with approximately 18,600 square feet. Mr. Ehler stated LJA has provided comments and is waiting for a formal water and wastewater capacity request.

CAPITAL IMPROVEMENT PLAN

Mr. Ehler stated there were no additional updates on the capital improvement plan.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Buckner stated there was one additional check in the amount of \$200.00 payable to Lindsey Schott for services related to the fall newsletter.

Mr. Ehler requested that a check previously approved and issued to WWT be voided in the amount of \$42,743.83, as Pay Estimate No. 5 and that the check be reissued in the amount of \$66,056.09 and held by the bookkeeper until WWT submits a pay estimate for the amount and a schedule for completion of the remaining work. Ms. Carner requested authorization to negotiate with WWT and to send a formal deficiency letter to WWT and its surety if needed to ensure performance. After discussion, Director Jones moved to (1) approve voiding check no. 1304 payable to WWT in the amount of \$42,743.83; (2) approve the reissued check as Pay Estimate No. 5, in the amount of \$66,056.09, payable to WWT, but direct that the check be held until WWT submits an appropriate pay estimate and schedule for completion of the remaining work; and (3) authorize ABHR to negotiate with WWT and, as necessary, to send a

letter of deficiency to WWT and its surety to ensure performance. Director Calcolice seconded the motion, which carried by unanimous vote.

The Board discussed timeliness of submissions for director fees of office. The Board concurred to request that directors submit requests at least one week before the meeting and that if submissions are not included on the bookkeeper's report because of delays in submission, they will be included on the next month's report and be paid at that time.

OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month of October, a copy of which is attached. Ms. Campbell said that the ratio of water billed versus water produced for October was 96.9%.

Ms. Campbell reported on repairs and maintenance at the WWTP and the water plant.

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell stated that the customer utility bills will have a new format and requested feedback. Discussion ensued. A copy of the new utility bill format is attached to the operator's report.

Ms. Campbell stated that the off-site well meter is currently not registering flow. She requested authorization to replace the off-site well meter for an estimated amount of \$5,690.20.

Ms. Campbell stated the chlorine contact basin at WWTP needs to be cleaned. She requested authorization to clean the chlorine contact basin for an estimated amount of \$3,600.00. Ms. Campbell stated the cost would be added to the District's pending FEMA claim.

Ms. Campbell stated EDP completed an emergency repair to the gear drive on clarifier no. 2 at the WWTP in the amount of \$3,604.00.

Ms. Campbell stated the battery charger and the automatic transfer switch annunciator for the generator at the WWTP needs to be replaced. She requested approval to replace the battery charger and the automatic transfer switch in an amount of \$6,650.00.

Ms. Campbell stated the fire station landscaping needs improvement. She discussed two proposals for clean-up, dirt, mulch and minimal planting. After Discussion the Board requested that NJ Services complete the landscaping improvements needed at the fire station for a cost not to exceed \$3,200.00.

Director Cacolice reported on damages to the inside of the fire station, including missing ceiling tiles due to a roof leak. Ms. Campbell stated that EDP had repaired the roof and cleaned the carpet from a roof leak that occurred during Hurricane Harvey. She stated she has requested that the fire station be inspected at least once per month by EDP. The Board discussed scheduling an inspection of the fire station, which Directors Jones and Jenkins would attend with representatives from EDP and NJ Services.

Following discussion, Director DSouza moved to (1) approve the operator's report; (2) authorize EDP to replace the off-site well meter for an estimated cost of \$5,690.20; (3) authorize EDP to clean the chlorine contact basin at the WWTP for an estimated cost of \$3,600.00; (4) authorize EDP to replace the battery charger and the automatic transfer switch annunciator for the generator at the WWTP in the amount of \$6,650.00; and (5) authorize NJ Services to improve the landscaping including clean up, dirt, mulch and minimal planting at the fire station in an amount not to exceed \$3,200.00. Director Medlock seconded the motion, which carried by unanimous vote.

SECURITY AT DISTRICT FACILITIES, INCLUDING OPTIONS FOR SECURITY ENHANCEMENTS

There was no discussion on this matter.

TERMINATION OF WATER AND SEWER SERVICE

Ms. Campbell presented a list of delinquent utility service accounts. She advised the Board that all of the accounts on the list had been given written notification, in accordance with the District's Rate Order, of the opportunity to appear before the District's Board of Directors, either in person or in writing, to explain, contest, or correct their bills and to show why utility service should not be terminated for reason of nonpayment. Ms. Campbell noted that the accounts in question had neither contacted her office nor had appeared at the Board meeting concerning their bills. Following discussion, Director Cacolice moved to authorize termination of utility service to said accounts and direct that the list of delinquent utility service accounts be filed appropriately and retained in the District's official records. Director DSouza seconded the motion, which carried by unanimous vote.

STORM WATER MANAGEMENT

There was no discussion on this matter.

CONVENE IN EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING ANY PENDING OR CONTEMPLATED LITIGATION OR SETTLEMENT OFFERS

The Board did not convene in Executive Session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING CONTEMPLATED LITIGATION, OR SETTLEMENT OFFER

The Board did not convene in Executive Session.

FIRE STATION STAFFING MATTERS

Ms. Carner updated the Board on the status of the negotiations with the City regarding the Fire and EMS staffing fees and stated she has not received any additional correspondence from the City.

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

Genae Medlock

Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

Bookkeeper's report.....1
Tax assessor's report.....1
Report from S.E.A.L.....2
Engineer's report.....3
Operator's report.....6