

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

December 17, 2018

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 17th day of December, 2018, 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:

Renae Medlock	President
Fatiah Jones	Vice President
Kiesha Curtis	Secretary
John Cacolice	Assistant Vice President
Noel DSouza	Assistant Secretary

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

Also present at the meeting were Nicole Holland and Julius King, residents of the District; Joseph Norris and Jesus Leal of NorrisLeal Engineering ("NorrisLeal"); Christy and Kenny Wells of NJ Services, LLC ("NJ Services"); Jennifer Hanna of BKD, LLP; Kane Mudd and Bill Ehler of LJA Engineering, Inc. ("LJA"); 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"); and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA

Director Medlock offered Board members an opportunity to remove items from the consent agenda for individual discussion. She requested that item 2.c. be removed from the consent agenda and Director Jones requested that item 2.f. be removed as well. Director Cacolice then moved to approve all remaining 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 26, 2018, regular Board meeting; (2) the Arbitrage Rebate Report for the Series 2008 Bonds; (3) the tax assessor's report; and (4) the report on supplemental law enforcement services. Director DSouza seconded the motion, which carried by unanimous vote. Copies of the tax assessor's report and supplemental law enforcement services report are attached.

## ITEMS REMOVED FROM CONSENT AGENDA

The Board reviewed the bookkeeper's report, a copy of which is attached. Director Medlock noted that the bookkeeper's report appears to have incorrect initials next to the Association of Water Board Directors ("AWBD") line item for registration for the winter conference. Ms. Buckner stated the item will be corrected. After discussion, Director DSouza moved to approve the bookkeeper's report. Director Cacolice seconded the motion, which carried unanimously.

Director Jones discussed the District's website and stated she has notified Off-Cinco of updates to the site, including the removal of the water outage notice from September 2018, the removal of S.E.A.L security information and replacement with the Constable's Office information, and removal of a duplicate of the mission statement.

## APPROVE AUDIT FOR FISCAL YEAR END AUGUST 31, 2018

Ms. Hanna reviewed a draft audit for the fiscal year ending August 31, 2018. After discussion, Director Jones moved to approve the audit, subject to final review. Director Cacolice seconded the motion, which carried unanimously.

## TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE 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 days, up to 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.

## 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.

## QUARTERLY REPORT FROM NJ SERVICES, INCLUDING PROPOSALS FOR REPAIR OF DRAINAGE AND DETENTION FACILITIES

Ms. Wells distributed and reviewed the Quarterly report from NJ Services, a copy of which is attached.

Ms. Wells then discussed a proposal in the amount of \$2,250.00 for the drainage repair project at Savannah Parkway and Highway 6. She stated she is waiting for the approval from the Texas Department of Transportation ("TxDOT") for the Traffic Control Plan before requesting approval of the proposal.

## LAKE MAINTENANCE MATTERS

### REPORT FROM LAKE PRO, INC. ("LAKE PRO"), INCLUDING PROPOSALS FOR FOUNTAIN EQUIPMENT REPAIR OR REPLACEMENT

The Board reviewed a lake maintenance report from Lake Pro, a copy of which is attached. The Board reviewed a revised proposal from Lake Pro in the amount of \$1,695.00 for the fountain light replacement at Lake 3. The Board then reviewed a proposal from Lake Pro in the amount of \$3,720.00 for electrical repair services for fountain no. 1 at Lake 5. Discussion ensued regarding the repairs.

### REVIEW PROPOSALS FOR LAKE MAINTENANCE, AND, IF APPROPRIATE, APPROVE SERVICE AGREEMENT FOR LAKE MAINTENANCE AND AUTHORIZE TERMINATION OF SERVICE AGREEMENT WITH LAKE PRO

Ms. Carner distributed and reviewed lake maintenance proposals from Lake Pro, Lake Management Services, L.P., Clearwater, and Solitude Lake Management, copies of which are attached. Discussion ensued. Ms. Carner noted that all proposals have been reviewed by Stormwater Solutions, Inc., for compliance with the MS4 Stormwater Management plan. After discussion, the Board concurred to defer action pending further review of the proposals.

## ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING ADDITIONAL CHECKS

The Board discussed check no. 6523 in the amount of \$27,169.52.

Ms. Buckner also requested that check number 6848 be voided and replaced with check no. 6863 in the amount of \$4,400.00. She stated the check initially was erroneously made in the amount of \$400.00.

After discussion, Director DSouza moved to direct the bookkeeper to hold check no. 6523, in the amount of \$27,169.52; and (2) approve the voiding of check no. 6848 and replacement check no. 6863, in the amount of \$4,400.00. Director Cacolice 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 AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR THE EMERGENCY GENERATOR FOR THE REVERSE OSMOSIS SYSTEM

Mr. Ehler stated that LJA has begun the preparation of the plans and specifications for the proposed emergency generator for the reverse osmosis

system and stated the plans and specifications was submitted to all agencies on December 12, 2018.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR THE 1.05 MILLION GALLON PER DAY WASTEWATER TREATMENT PLANT EXPANSION ("WWTP")

Mr. Ehler stated that LJA has begun the preparation of the plans and specifications for the next WWTP expansion and plans to submit to all agencies by February 2019.

Mr. Ehler reviewed and requested approval of a proposal from Terracon for geotechnical services related to the construction of the WWTP expansion, in the amount of \$7,700.00.

Mr. Ehler also reviewed and requested approval of a proposal from Terracon for material testing services related to the WWTP expansion, in the amount of \$10,002.00.

REVIEW BIDS AND AWARD CONTRACT FOR THE DRAINAGE IMPROVEMENTS AT THE WATER PLANT SITE

Mr. Ehler stated that LJA has submitted the plans and specifications for the drainage improvements at the water plant site to the City of Pearland (the "City"). He stated LJA has received comments, has resubmitted plans to the City, and is waiting for final approval. Mr. Ehler stated LJA anticipates initiating advertisement for bids in January 2019.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR THE REVERSE OSMOSIS EQUIPMENT

Mr. Ehler updated the Board on the status of the programming modifications by Hatch Associates Consultants, Inc. ("Hatch"). He stated EDP is coordinating with Hatch to finalize the remaining modifications.

Discussion ensued regarding the potential corrosion issue on the stainless steel piping.

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

Mr. Ehler stated that JTR Constructors ("JTR") is the contractor for the reverse osmosis system. He requested approval of Pay Estimate 10 and Final in the amount of \$32,750.14, payable to JTR, subject to LJA's final approval. Ms. Carner reviewed a Service Agreement with Hatch for future programming services as needed.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR THE WATER PLANT HYDROPNEUMATIC AND GROUND STORAGE TANK REHABILITATION

Mr. Ehler stated the contractor for the water plant rehabilitation project is Gemini. He stated the project has been delayed due to poor weather conditions. He stated the contractor has identified corrosion to the ground storage tank that was not identified during the original inspection. He requested approval of Change Order No. 2 in the amount of \$14,025.00, as an increase to the contract with Gemini for the repair of the corrosion in the ground storage tank. The Board determined the change order is beneficial to the District.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR THE 0.75 MILLION GALLON WWTP EXPANSION

Mr. Ehler stated the contractor for the WWTP expansion project is T&C Construction, LTD. He stated the contractor has mobilized and began construction.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR THE REPAIR OF DETENTION POND EROSION AT LAKE 2

Mr. Ehler stated that Jerdon Enterprises, L.P. ("Jerdon"), is the contractor for the repair of the detention pond erosion at Lake 2. He reviewed and recommended that the Board approve Pay Estimate No. 3 in the amount of \$52,830.00, payable to Jerdon for the repair of detention pond erosion at Lake 2. Discussion ensued.

DRAINAGE REPAIRS AT SAVANNAH PARKWAY AND HIGHWAY 6

Mr. Ehler updated the Board on the status of the drainage repairs at Savannah Parkway and Highway 6. He stated that LJA has submitted the Traffic Control Plan to Brazoria County Drainage District No. 4 and TxDOT for review and approval. Discussion ensued.

RENEWAL OF TEXAS POLLUTION DISCHARGE ELIMINATION SYSTEM PERMIT

Mr. Ehler stated the WWTP discharge permit expired on September 1, 2018, but remains active since LJA timely submitted the WWTP Discharge Permit Renewal application to the Texas Commission on Environmental Quality ("TCEQ"). He stated LJA received a draft permit from the TCEQ, and LJA and EDP have offered comments and expect to receive the final permit in the next few months.

## INDUSTRIAL WASTEWATER DISCHARGE PERMIT ASSOCIATED WITH WATER PLANT

Mr. Leal introduced himself and Mr. Norris to the Board. He discussed the process with the TCEQ for preparation and submission of the Industrial Wastewater Discharge Permit associated with the water plant.

Mr. Leal then presented and reviewed a proposal from NorrisLeal in the amount of \$60,000.00, to complete and submit the Industrial Wastewater Discharge Permit application to the TCEQ. Discussion ensued.

## DEEDS, EASEMENTS, AND PHASE I ENVIRONMENTAL ASSESSMENT PROPOSALS

There was no discussion on this matter.

## UPDATE ON POTENTIAL PURCHASE OF 12.54-ACRE TRACT AT SAVANNAH PARKWAY AND SAVANNAH BEND DRIVE

Ms. Carner reported on the meeting with LJA and the United Methodist Church regarding potential development of the 12.54-acre tract. Discussion ensued.

## COMMERCIAL PLAN REVIEWS AND UTILITY COMMITMENT REQUESTS

Mr. Ehler updated the Board on the status of development of two retail buildings consisting of 18,600 square feet at Savannah Parkway and Highway 6. He stated the developer is modifying the structural plans, and LJA anticipates receiving a revised set of plans soon.

## CAPITAL IMPROVEMENT PLAN

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

Following discussion, and based on the engineer's recommendation, Director Cacolice moved to: (1) approve the engineer's report; (2) approve the proposal from Terracon in the amount of \$7,700.00 for geotechnical services related to the construction of the WWTP expansion; (3) approve the proposal from Terracon for material testing services related to the WWTP expansion in the amount of \$10,002.00; (4) approve Pay Estimate No. 10 and Final, in the amount of \$32,750.14, payable to JTR, subject to LJA's final approval; (5) approve the Service Agreement with Hatch and direct that the Agreement be filed appropriately and retained in the District's official records; (6) approve Change Order No. 2 in the amount of \$14,025.00, payable to Gemini, based on the Board's finding that the change order is beneficial to the District; (7) approve Pay Estimate No. 3 in the amount of \$52,830.00, payable to Jerdon; and (8) approve the proposal from NorrisLeal in the amount of \$60,600.00 for preparation and

submission of the Industrial Wastewater Discharge Permit application. Director DSouza seconded the motion, which carried by unanimous vote.

#### OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month of November a copy of which is attached. She said that the ratio of water billed versus water produced for November was 92%.

Ms. Campbell reported on repairs and maintenance at the fire station. She stated that Brazoria County Municipal Utility District No. 22 ("BC MUD 22") had discussed at their last meeting that the flags at the fire station need to be replaced. Ms. Campbell stated the cost to replace the flags is \$200.00, which would be split between the District and BC MUD 22.

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell stated the WWTP blower no. 1 repair, authorized by the Board in August, is in process.

Ms. Campbell updated the Board on the repairs to lift pump no. 2 at lift station no. 2. She stated the repair is in process.

Ms. Campbell discussed the utility services at 14009 Savannah Landing. She stated the account was closed in August per the account holder's request. She stated that no new account has been set up at this address since then but there has been water usage totaling approximately \$700.00. She stated that EDP has spoken with the current resident and requested that the resident open a utility account, as required by the Amended Rate Order. She stated to date the resident has not opened an account and the property is subject to immediate termination. Discussion ensued regarding the requirements pursuant to the District's Amended Rate Order and the possibility of offering a payment plan for the account balance.

Following discussion, Director Cacolice moved to (1) approve the operator's report; (2) authorize the replacement of the flags at the fire station in the amount of \$200.00; and (3) authorize EDP to offer a three-month payment plan to the resident at 14009 Savannah Landing for the existing account balance, if requested by the resident. Director Jones seconded the motion, which passed unanimously.

#### 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 Jones seconded the motion, which carried by unanimous vote.

FIRE STATION STAFFING MATTERS, INCLUDING STATION MAINTENANCE, FIRE/EMS PROTECTION AGREEMENT WITH THE CITY OF PEARLAND ("CITY"), CORRESPONDENCE REGARDING ANNUAL ADJUSTMENT TO MONTHLY CHARGES, AND PROPOSALS REGARDING FIRE PROTECTION SERVICES AND ASSOCIATED COSTS AND FEES

Ms. Carner discussed the current status of negotiations with the City regarding the annual update to the monthly per connection charges pursuant to the Fire/EMS Protection Agreement. Discussion ensued.

PHASE II MS4 STORM WATER MANAGEMENT PLAN

There was no discussion on this matter.

DISTRICT NEWSLETTER

Director Medlock discussed the articles to be included in the District's newsletter. She stated she would email the articles to ABHR to distribute to the Board for review.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board did not convene in executive session to deliberate the purchase, exchange, lease or value of real property.

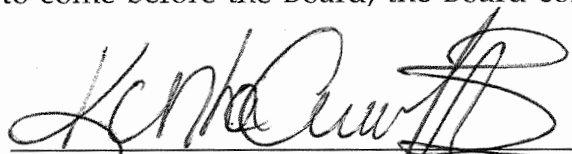
CONVENE IN EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING ANY PENDING OR CONTEMPLATED LITIGATION OR SETTLEMENT OFFERS

The Board did not convene in executive session to consult with attorney regarding any pending or contemplated litigation or settlement offers.

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

(SEAL)



  
Secretary, Board of Directors



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