MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

March 20, 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 20th day of March, 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
Karla Bell-Thomas	Vice President
Fatiyauh Jones	Assistant Vice President
Ashley Taylor	Secretary
Renae Medlock	Assistant Secretary

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

Also present at the meeting were John Cacolice, a resident of the District; Vance Riley, Fire Chief of the City of Pearland; Mike Harrington of American Enerpower, Inc.; Mary DuBois of Acclaim Energy Advisors; Steve Arrington and Patrick Kohleffel of Lake Pro, Inc.; Kenny and Christy Wells of N.J. Services, LLC; Paul Reese of S.E.A.L. Security Solutions, LLC ("S.E.A.L."); Bill Ehler and Kane Mudd of LJA Engineering, Inc. ("LJA"); Brian Gibson of Friendswood Development Company ("FDC"); Matthew Dustin and Loren Morales of RBC Capital Markets ("RBC"); Lori Buckner of Myrtle Cruz, Inc.; 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

Mr. Cacolice updated the Board on the status of the vacant lot located at 5402 Landing View Court, which was previously sold at a public tax sale.

CONSENT AGENDA

Director Jenkins offered Board members an opportunity to remove items from the consent agenda for individual discussion. Director Taylor 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 February 20, 2017, regular Board meeting; (2) the bookkeeper's report; (3) and the tax assessor's report. Director Bell-Thomas 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.

SECURITY SERVICES, INCLUDING PROPOSALS FOR SUPPLEMENTAL LAW ENFORCEMENT AND SECURITY SERVICES

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

Director Jenkins and Director Jones requested a follow-up on incidents previously reported regarding gunshots and a truck parked on private property. Director Jones requested that S.E.A.L. include the follow-up from serious matters in the monthly reports.

After discussion, the Board concurred to accept the report.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Buckner reported that there were no additional checks.

DISTRICT WEBSITE MATTERS

Ms. Campbell reported that the insert previously approved by the Board notifying the residents of the District's new website would go out with the March utility bill notifying residents of the District website. The Board concurred to move this item to the consent agenda going forward.

REPORT ON ELECTRICITY CONTRACT

Ms. DuBois left the meeting.

Mr. Harrington introduced himself to the Board and stated he has been the District's representative since 2005. He stated the current electricity contract is with Hudson Energy and expires June in 2018. He presented and reviewed a proposal including current energy prices as an extension to the current contract beginning in July 2018, a copy of which is attached.

Mr. Harrington left the meeting, and Ms. DuBois re-entered the meeting.

Ms. DuBois introduced herself to the Board and presented alternative options for electricity service through Acclaim Energy Advisors. She reviewed a proposal including current energy prices, a copy of which is attached.

Ms. DuBois left the meeting.

The Board concurred to table the discussion regarding extending the electricity contract.

ENGINEER'S REPORT

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

AUTHORIZE ADVERTISEMENT FOR BIDS 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 LAKES 2 AND 3

Mr. Elher stated LJA is preparing plans and specification for repair of the side slopes on lake 2 and 3, including a bulkhead around the perimeter of the lakes.

REVIEW BIDS AND AWARD CONTRACT FOR IMPROVEMENTS FOR WWTP ACCESS ROAD

Mr. Ehler stated LJA has submitted plans and specifications for the concrete access road to the WWTP to all government agencies. He stated LJA has resubmitted plans to the City of Pearland and is waiting for final approval. Mr. Ehler stated the bid date is scheduled for April 11th.

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

Mr. Ehler stated LJA has completed the plans and specifications and will bid the project in April 2017.

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. Mr. Ehler stated the reverse osmosis system equipment was delivered on March 2, 2017, however there was minor damage to some of the pieces of equipment during delivery. He stated WWT is addressing the damage, and the project timeline should not be affected.

Mr. Ehler requested approval of Pay Estimate No. 3 in the amount of $364,447.35, payable to WWT contingent upon the damaged equipment being replaced.

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

Mr. Ehler stated the contractor for this project is McDonald Municipal & Industrial. He stated the project is ongoing.

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. Mr. Ehler presented and recommended approval of Pay Estimate No. 1 in the amount of $33,480.00 and Pay Estimate No. 2 in the amount of $77,805.00, payable to Bussel & Sons, LLC.

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. He stated the notice to proceed was issued on December 20, 2016, and the final completion date is scheduled for June 18, 2017. Mr. Ehler presented and recommended approval of Pay Estimate No. 2 in the amount of $276,612.30 payable to JTR Constructors.

Following review and discussion, Director Jones moved to approve the engineer's report and, based on the engineers recommendation to (1) approve Pay Estimate No. 3 in the amount of $364,447.35, payable to WWT, contingent upon the damaged equipment being replaced; (2) approve Pay Estimate No. 1 in the amount of $33,480.00, and Pay Estimate No. 2 in the amount of $77,805.00, payable to Bussel & Sons, LLC; and (3) approve Pay Estimate No. 2 in the amount of $276,612.30, payable to JTR Constructors. Director Bell-Thomas seconded the motion, which carried by unanimous vote.

DISCUSS POSSIBLE INTERCONNECT WITH BRAZORIA COUNTY MUNICIPAL DISTRICT NO. 29 ("BC MUD 29")

Mr. Ehler stated that an adequate pressure flow test on the BC MUD 29 water system lines has not yet been completed.

REPORT ON PREPARATION OF PARK BOND APPLICATION

Mr. Ehler stated the developer is in the process of obtaining approval from the City of Pearland to proceed with the sale of park bonds.

DEEDS, EASEMENTS, AND PHASE I ENVIRONMENTAL ASSESSMENT PROPOSAL

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

UTILITY COMMITMENT REQUESTS

The Board did not have any utility commitment requests at this time.

OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month of January, a copy of which is attached. Ms. Campbell said that the ratio of water billed versus water produced for January was 111.1%. She stated EDP has replaced the malfunctioning register on the master meter on February 15, 2017.

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

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell gave an update on EDP's attempts to locate the main distribution line for the non-potable water system. She stated EDP was unable to locate the line and had to excavate and cut into the water line to televise the line. She stated EDP will report on findings once the televising is complete.

Ms. Campbell stated the repair to the existing booster pump to the non-potable irrigation system is complete.

Ms. Campbell presented and reviewed a request from the resident at 13618 Stone Branch for a utility bill adjustment due to high usage from a leaking toilet. Ms. Campbell stated the credit to the sewer portion of the bill under the District's exiting policy would be $144.00. Discussion ensued regarding previous high usage. The Board concurred to defer additional discussion to the net meeting.

Ms. Campbell reported the repair to the lift pump no. 1 at lift station no. 2 is in process.

Ms. Carner reviewed and Ms. Campbell requested approval of Amended Rate Order to allow customers whose service has been terminated for delinquency to pay their account using a credit card, and to increase the deposit for temporary meters from $800.00 to $2,000.00.

Ms. Carner reported EDP is entering into a Treasury Management Services Agreement with BBVA/Compass and requested and recommended the Board adopt the Resolution Approving Treasury Management Services and Authorizing Operator (the "Resolution").

Ms. Campbell requested authorization to submit a Homeland Security Contact Form to the Texas Commission on Environmental Quality ("TCEQ").

After discussion, Director Jones then moved to (1) approve the operator's report; (2) adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records; (3) adopt amended Rate Order to include the acceptance of credit card payments for delinquent accounts and to increase the deposit for temporary meters to $2,000.00; and (4) authorize EDP to submit the Homeland Security Contact Form to the TCEQ on behalf of the District. Director Medlock seconded the motion, which carried by unanimous vote.

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 Jones moved to authorize termination of utility service to said accounts and direct that the list of delinquent utility services accounts be filed appropriately and retained in the District's official records. Director Medlock seconded the motion, which carried by unanimous vote.

FIRE STATION NO.6, INCLUDING REPORT ON CITY OF PEARLAND STANDARDS OF COVER AND STAFFING UTILIZATION STUDY DRAFT BRIEFING

Chief Riley reported on the City of Pearland Standards of Cover and Staffing Utilization Study (the "Study"). He stated the City of Pearland Fire Department will respond to the Study with suggestions to solve the issues surrounding standards and staffing at all fire stations within the City's service area. Discussion ensued regarding options for increasing staffing at fire station no. 6 and improving response times in the District.

STORM WATER MANAGEMENT

Ms. Carner updated the Board on the status of the investigation regarding the oil in the driveway at 5210 Green Heath Lane. She reviewed an inspection report from Storm Water Solutions, a copy of which is attached. Discussion ensued. The Board concurred for ABHR to proceed to send a letter to the resident regarding the possible illicit discharge into the District's storm sewer facilities, as authorized by the Board at the February meeting.

REPORT ON COMMUNITY SHRED EVENT

Director Bell-Thomas reported on the Shredding event on March 4, 2017. She stated 2,200 pounds of paper were shredded at the event. Discussion ensued regarding

additional shredding events throughout the year and collaboration with Brazoria County Municipal Utility District No. 22.

REVIEW MUD NEWS DRAFT

Director Bell-Thomas presented and reviewed the draft of the MUD Newsletter. Following discussion, the Board concurred to authorize posting of the MUD newsletter on the District website.

REPORT ON LAKE MANAGEMENT AND MAINTENANCE

PROPOSALS FROM LAKE PRO, INC., FOR REPAIR OR REPLACEMENT OF LAKE 5 FOUNTAIN NO. 2

Mr. Kohleffel distributed and reviewed proposals for repair and replacement of lake 5 fountain no 2. Discussion ensued regarding the repair cost of the current Otterbine fountain in the amount of $2,928.30 and the replacement of the existing Otterbine fountain with a new Aqua Control fountain in the amount of $12,956.00. After review and discussion, Director Jones moved to approve the proposal to replace the Otterbine fountain motor with the new Aqua Control fountain in the amount of $12,956.00. Director Medlock seconded the motion, which carried by unanimous vote.

DISCUSS OWNERSHIP OF FOUNTAIN ELECTRICITY METERS AND PAYMENT OF ELECTRICITY BILLS

Director Jenkins discussed the fountain meters in the District and stated at least some of them are owned by the Lakes of Savannah South Community Association. She stated the District provides maintenance to all of the fountains, and she recommends that the electricity accounts for the meters be transferred to the District. Director Jenkins stated she is working on determining which meters need to be transferred.

NJ SERVICES QUARTERLY REPORT

Mr. Wells distributed and reviewed a report on maintenance in the District, a copy of which is attached. Discussion ensued regarding a proposal for a desilting project. The Board concurred for LJA to coordinator with Mr. Wells regarding the proposal and to report back to the Board next month.

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

(SEAL)

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

Ashley Taylor
Secretary, Board of Directors

649985

LIST OF ATTACHMENTS TO MINUTES

	Minutes Page
Bookkeeper's Report	1
Tax Assessor's Report	1
Engineer's Report	1
Operator's Report	1
Report from S.E.A.L.	2
Proposal from American Enerpower	2
Proposal from Acclaim	2
Notice of Inspection Report from Storm Water Solutions	6
Report on maintenance in the District	7