

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

May 15, 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 15th day of May, 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
Vacant	Secretary
Rena Medlock	Assistant Secretary

and all of the above were present, except Director Bell-Thomas, thus constituting a quorum.

Also present at the meeting were Ben Ramos, John Cacolice and Noel Dsouza, residents of the District; Paul Reese and Lora Hughes of S.E.A.L. Security Solutions, LLC ("S.E.A.L."); Matthew May of Best Trash, LLC; Bill Ehler and Kane Mudd of LJA Engineering, Inc. ("LJA"); Ethan Springer of Friendswood Development Company ("FDC"); Loren Morales of RBC Capital Markets ("RBC"); Lori Buckner of Myrtle Cruz, Inc.; Breah Campbell and Lanise Mirelesi of Environmental Development Partners, LLC ("EDP"); Tommie Lee of Assessments of the Southwest, Inc. ("ASW"); and Tim Austin, Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Cacolice stated he is interested and would like to be considered for the vacant Board position.

Mr. Ramos inquired about the obligation of the District to reimburse the developer for previously constructed recreational facilities. Ms. Carner provided a brief overview of the financing agreement between the District and the developer.

CONSENT AGENDA

Director Jenkins offered Board members an opportunity to remove items from the consent agenda for individual discussion. Director Medlock 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 April 17, 2017, regular Board meeting; (2) bookkeeper's report; (3) Travel Reimbursement Guidelines and Director Expenses for the Association of Water Board

Directors summer conference; and (4) the tax assessor's report. Director Jones 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.

Mr. Reese and Ms. Hughes left the meeting.

Ms. Cannon distributed proposals for supplemental law enforcement or security from S.E.A.L. and the Brazoria County Constable's Office, Precinct 4, copies of which are attached.

Director Medlock inquired about the previous experiences with the Constable's office and attempts to remedy concerns that arose. Discussion ensued.

The Board deferred discussion on the proposals and the possible termination of the Service Agreement with S.E.A.L.

ACCEPT RESIGNATION OF DIRECTOR TAYLOR AND DISCUSS PROCEDURES RELATING TO THE VACANCY

The Board considered accepting the resignation of Director Taylor and appointing a new director. After review and discussion, Director Jones moved to accept the resignation of Director Taylor. Director Medlock seconded the motion, which carried by unanimous vote.

APPOINT NEW DIRECTOR

Ms. Carner explained the process of appointing a new director to the vacant position.

After discussion, Director Medlock moved to appoint Noel Dsouza to the vacation position on the Board. Director Jones seconded the motion, which failed by a vote of 2-1, with Director Jenkins opposed.

Director Jenkins voiced her support for appointing John Cacolice to the vacant position. Mr. Ramos inquired about the possibility of the Board polling the community. The Board concurred to defer further discussion on the appointment to the next meeting.

APPROVE SWORN STATEMENT, OFFICIAL BOND AND OATH OF OFFICE OF NEW DIRECTOR

There was no discussion on this matter.

REORGANIZE THE BOARD AND AUTHORIZE EXECUTION OF THE DISTRICT REGISTRATION FORM

There was no discussion on this matter.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

There was no discussion on this matter.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS

There was no discussion on this matter.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Buckner reported that there was one additional check, check no. 1281, in the amount of \$121,482.45 payable to Wigen Water Technologies ("WWT") for a pay estimate No. 4 for the construction of the reverse osmosis system. Director Jones moved to approve the additional check. Director Medlock seconded the motion, which carried by unanimous vote.

BUDGET FOR JOINT FACILITIES

The Board did not received a report on this matter.

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. Ehler stated LJA is preparing plans and specification for repair of the side slopes on lake 2. He stated he does not recommend making any repairs to lake 3 at this time.

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 the summer of 2017. Mr. Ehler suggested that all of the tanks be painted the same color. After discussion, the Board concurred to that the tanks should be painted to match the existing facilities.

REVIEW BIDS AND AWARD CONTRACT FOR IMPROVEMENTS FOR WWTP ACCESS ROAD

Mr. Ehler reviewed the tabulation of bids received by the District for the improvements for the WWTP access road project and recommended that the Board accept the low bid from DVL Enterprises in the amount of \$294,530.00. The Board agreed that award of the contract to DVL Enterprises will be most advantageous to the District and will result in the best and most economical completion of the District's access road improvements.

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 has addressed the damage, and the project timeline should not be affected.

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. 3 in the amount of \$105,840.00 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. 4 in the amount of \$234,675.00 payable to JTR Constructors.

Following review and discussion, Director Jones moved to (1) approve the engineer's report; (2) accept the low bid submitted by DVL Enterprises, LLC, subject to review of contract and bonds by ABHR and award the contract to said contractor in the amount of \$294,530.00, based on the engineer's recommendation; (3) approve Pay Estimate No. 4 in the amount of \$121,482.45, payable to WWT; (4) approve Pay Estimate No. 3 in the amount of \$105,840.00 payable to Bussel & Sons, LLC.; and (5) approve Pay Estimate No. 4 in the amount of \$324,675.00, payable to JTR Constructors. Director Medlock 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.

DEEDS, EASEMENTS, AND PHASE I ENVIRONMENTAL ASSESSMENT PROPOSAL

Mr. Ehler requested that the Board grant an electric easement to CenterPoint for the installation of a transformer for the water plant improvements. After discussion, Director Jones moved to approve granting the electric easement to Centerpoint. Director Jenkins seconded the motion, which carried by unanimous vote.

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 March, a copy of which is attached. Ms. Campbell said that the ratio of water billed versus water produced for March was 94.0%.

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

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell requested authorization to replace the hatches on the GST and replace the GST galvanized vents for an estimated amount of \$6,120.00.

Ms. Campbell stated there was a motor failure and requested authorization to replace the lift pump No. 2 at lift station no. 1 for a cost of \$18,067.00, plus an estimated cost of \$1,200 for EDP time and materials. She stated EDP would submit an insurance claim for the pump.

Ms. Campbell report that the annual fire hydrant flow test inspection of the District's 266 fire hydrants was completed and only minor repairs were needed.

Ms. Campbell requested approval for an agreement with NTS for the rental of an emergency generator in the amount of \$600.00 per month from June 2017 to November 2017 in preparation for hurricane season.

Ms. Campbell reviewed a leak adjustment request from the resident at 5210 Catalina Cove Lane due to a leaking sprinkler system. She stated the customer qualifies for a leak adjustment of \$94.50 to the sewer portion of the utility bill based on the District's leak adjustment policy. Ms. Campbell recommended approval of the leak adjustment in the amount of \$94.50 to the customer.

Mr. Ehler discussed additional maintenance services to be provided by NJ Services near the access road, including seeding, fertilization, and mowing.

APPROVE 3RD AMENDMENT TO DISTRICT SERVICE AGREEMENT

Ms. Campbell presented and reviewed a 3rd amendment to the current District Service Agreement ("Agreement") with EDP and requested approval for the 11% increase in fees. Discussion ensued regarding the services provided to the District by EDP and the past amendments to the original Agreement.

APPROVE CONSUMER CONFIDENCE REPORT AND AUTHORIZE OPERATOR TO MAIL THE CONSUMER CONFIDENCE REPORT AND FILE CERTIFICATE OF MAILING WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ")

Ms. Campbell reviewed and requested approval of the District's Consumer Confidence Report ("CCR") for 2016.

REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT'S FACILITIES AND AUTHORIZE ANNUAL FILING

Ms. Breah Campbell reported that the District is required to annually review and file an updated Critical Load Spreadsheet ("CLS"). She stated that the District's bookkeeper, operator, and engineer have reviewed the CLS and provided necessary updates. Ms. Campbell said the District's CLS will be filed with the required county and state entities, as well as the District's retail electricity provider and CenterPoint Energy for emergency purposes.

FIRE STATION NO.6 INCLUDING PROPOSAL FROM CITY OF PEARLAND REGARDING FIRE PROTECTION FEES AND STATION STAFFING

There was no discussion on this matter.

After discussion, Director Medlock then moved to (1) approve the operator's report; (2) authorize EDP to replace the hatches on the GST and replace the GST galvanized vents for an estimated amount of \$6,120.00, as recommend by the engineer; (3) authorize EDP to replace the lift pump No. 2 at lift station no. 1 for a total cost of \$18,067.00, plus the estimated cost of \$1,200 for EDP time and materials; (4) approve the rental agreement with NTS in the amount of \$600.00; (5) authorize the annual filing of the CLS with the appropriate entities as required; (6) approve the CCR and authorize EDP to mail the CCR to the District's customers and certify the distribution with the TCEQ by July 1, 2017; (7) approve a leak adjustment credit of \$94.50 to the sewer portion of the utility bill for the resident at 5210 Catalina Cove Lane pursuant to the District's leak adjustment policy; and (8) approve third amendment to the District Service Agreement with EDP. Director Jones 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 Medlock 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 Jones seconded the motion, which carried by unanimous vote.

DISTRICT WEBSITE MATTERS

There was no discussion on this matter.

STORM WATER MANAGEMENT

There was no discussion on this matter.

QUARTERLY REPORT FROM BEST TRASH

Mr. May discussed garbage and recycling collection services in the District. Discussion ensued.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board discussed the renewal insurance proposal from McDonald & Wessendorff Insurance. After discussion, Director Jenkins moved to accept the proposal to renew the District's existing policies, except for the switch of the insurance coverage for property/boiler and machinery from Travelers Property Casualty to Hanover/Chubb. Director Medlock seconded the motion, which carried by unanimous vote.

REPORT ON LAKE MANAGEMENT AND MAINTENANCE

UPDATE ON OWNERSHIP OF FOUNTAIN ELECTRICITY METERS AND PAYMENT OF ELECTRICITY BILLS

Discussion ensued regarding reimbursement to the Lakes of Savannah South Community Association (the "HOA") for past electric bills for the fountain meters paid by the HOA. Director Jenkins presented and reviewed a summary of charges the HOA has paid since January 2017, totaling \$7,863.00. Ms. Carner presented and reviewed an electricity contract with Hudson Energy for the fountain meters. After discussion, Director Jones moved to reimburse the HOA for electricity bills in the amount of \$7,863.00, and (2) approve the electricity contract with Hudson Energy and direct that the contract be filed appropriately and retained in the District's official records. Director Medlock seconded the motion, which carried by unanimous vote.

REPORT ON MOWING AND DETENTION POND MAINTENANCE INCLUDING PROPOSAL FOR DESILTING

There was no discussion on this matter.

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

The Board convened in Executive Session at 2:37 p.m. to conduct a private consultation with the attorney regarding pending or contemplated litigation or settlement offers. Mr. Austin, Ms. Carner and Ms. Cannon also were present.

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

The Board reconvened in open session at 3:19 p.m. The Board did not take action.

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

Gene Medlock

Secretary, Board of Directors

(SEAL)



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Brazoria County MUD 21

ENERGY REPORT

Service Address	12/13-1/16	1/16-2/14	2/14-3/15	3/15-4/13																
13727 Hwy 6A	256	156	71	98															581	
13506 Barton Meadow	2,577	2,166	2,370	2,191															9,304	
Streelights	11,096	11,096	11,096	11,096															44,384	
1511 CR 58 (Fire Station)	2,296	2,737		3,067															8,100	
Hudson 6601 FM 521	1,160	1,160	1,160	1,160															4,640	
DireEnergy @ 6601 FM 521	38	38	38	38															152	
1530 CR 58 (WP)	26,880	22,080	21,312	25,152															95,424	
1527 1/2 CR 58 (RW)	15,456	12,960	12,960	15,648															57,024	
CenterPoint (Fire Station)	0	67	75	11															153	
13717 Hwy 6A	66,816	59,520	60,672	58,368															245,376	
TOTAL KWH USED	126,575	111,980	109,754	116,829	0	0	0	0	0	0	0	0	0	0	0	0	0	0	465,138	
AMOUNT PAID	17,038.56	16,199.29	16,127.59	16,281.18																65,646.62

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