

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

June 19, 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 19th day of June, 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                |
| Vacant          | Vice President           |
| Fatiyauh Jones  | Assistant Vice President |
| Vacant          | Secretary                |
| Rena Medlock    | Assistant Secretary      |

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

Also present at the meeting were Ben Ramos, David Taylor and John Cacolice, residents of the District; Christy and Kenny Wells of NJ 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"); Ethan Springer of Friendswood Development Company ("FDC"); Loren Morales and Matt Dustin 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 requested an update on the Reverse Osmosis System. Mr. Ehler stated he would give an update in his engineering report later in the meeting.

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 May 15, 2017, regular Board meeting; (2) bookkeeper's report; (3) the tax assessor's report; and (4) authorizing delinquent tax attorney to proceed with collection of delinquent taxes. Director Jones seconded the motion, which carried by unanimous vote. Copies of all reports approved as part of the consent agenda are attached.

## DISCUSS BOARD OF CONDUCT

Director Medlock requested that all Board members review and abide by the Board Code of Conduct adopted by the District.

## ITEMS REMOVED FROM CONSENT AGENDA

There were no items removed from the consent agenda.

## REPORT FROM NJ SERVICES ON DRAINAGE AND DETENTION FACILITY MAINTENANCE INCLUDING PROPOSAL FOR DESILTING

Mr. Wells distributed and reviewed the detention facility maintenance report and requested approval for a proposal in the amount of \$16,250.00 to remove, haul and deposit silt from the ditch west of Stewart Heights Section 2. A copy of the proposal is attached.

Discussion ensued regarding a damaged concrete inlet pipe located east of the wastewater treatment plant. Mr. Wells stated that he will bring a proposal to the July meeting for replacement of the inlet pipe.

After review and discussion, Director Medlock moved to approve the proposal in the amount of \$16,250.00 for the removal and depositing of silt from the ditch west of Stewart Heights Section 2. Director Jones seconded the motion, which carried by unanimous vote.

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

Mr. Reese reviewed a report from S.E.A.L., a copy of which is attached. Discussion ensued regarding distribution of monthly reports in advance of the meetings.

Mr. Reese 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.

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

ACCEPT RESIGNATION OF DIRECTOR BELL-THOMAS AND APPOINT NEW DIRECTOR

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

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

After discussion, Director Medlock moved to appoint John Cacolice and Noel DSouza to the vacancies on the Board, with Director Cacolice completing the remainder of Director Bell-Thomas' unexpired term and Director DSouza completing the remainder of Director Taylor's unexpired term. Director Jones seconded the motion, which carried by unanimous vote.

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

Ms. Carner reviewed the Sworn Statement, Official Bond, and Oath of Office for Director Cacolice.

After review and discussion, Director Medlock moved that the Board approve the Sworn Statement, Official Bond and Oath of Office and direct that the documents be filed in the official records of the District, and that the Oath of Office be filed with the Secretary of State, as required by law. Director Jenkins seconded the motion, which carried by unanimous vote.

REORGANIZE THE BOARD AND AUTHORIZE EXECUTION OF THE DISTRICT REGISTRATION FORM

The Board then considered reorganizing the Board and authorizing filing of an updated District Registration Form with the TCEQ, reflecting the terms of the newly appointed directors and the reorganization of the Board. Following review and discussion, Director Medlock moved that Director Cacolice be appointed Assistant Vice President, Noel DSouza be appointed Assistant Secretary, Renea Medlock be appointed to Secretary, Fatiyauh Jones be appointed Vice President and Delores Jenkins remain as President, and authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Jenkins seconded the motion, which carried by unanimous vote.

Director Jenkins stated that a new liaison is needed for the annual shred event and the MUD newsletter. After discussion, the Board concurred to name Director Cacolice as the liaison for the annual shred event and the MUD newsletter.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Carner reviewed a memorandum to the newly elected directors regarding the Open Meetings Act and Public Information Act.

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

Ms. Carner next reviewed a memorandum regarding Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest.

The Board considered authorizing execution of revised List of Local Government Officers reflecting changes to the Board. Following review and discussion, Director Jones moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Medlock seconded the motion, which carried by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Buckner stated check number 1287 payable to Wigen Water Technologies ("WWT") was a duplicate check and has been voided.

BUDGET FOR JOINT FACILITIES

Ms. Buckner reviewed a proposed budget for the joint water and wastewater treatment facilities for fiscal year end August 31, 2018, copies of which are attached to the bookkeeper's report. Discussion ensued.

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 reviewed the 70% complete plans and specification for repair of the side slopes on lake 2. Discussion ensued.

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 presented a color swatch and suggested that all of the tanks be painted a medium brown color to match the existing facilities. After discussion, the Board concurred to that the tanks should be painted to match the existing facilities.

PAY ESTIMATES AND CHANGE ORDERS FOR IMPROVEMENTS FOR WWTP ACCESS ROAD

Mr. Ehler stated DVL Enterprises is the contractor for the access road project. He stated the notice to proceed is anticipated to be issued on June 26, 2017 and the final completion date is expected to be August 25, 2017. Mr. Ehler requested approval of a materials testing proposal from Terracon in the amount of \$7,733.00 and to authorize execution of a service agreement for same.

PAY ESTIMATES, CHANGE ORDERS FOR THE REVERSE OSMOSIS EQUIPMENT

Mr. Ehler stated that WWT is the equipment supplier for the reverse osmosis project. Mr. Ehler stated that CenterPoint energy supplied the electric meter on June 9, 2017.

Mr. Ehler discussed the need for the control panels to have air condition systems to improve the longevity of the electronics. He presented and recommended approval of change order no. 2 in the amount of \$4,000.00 from WWT for the air conditioning units.

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

Mr. Ehler stated the contractor for this project is McDonald Municipal & Industrial ("MM&I"). Mr. Ehler requested approval of Pay Estimate No. 4 in the amount of \$125,704.80 payable to MM&I.

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. 4 in the amount of \$113,400.00 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 has been rescheduled for mid-August.

Mr. Ehler stated that after the pre-inspection meeting a list of deficiencies was identified and JTR is currently addressing the deficiencies. He requested approval of Pay Estimate No. 5 in the amount of \$347,175.00 and approval of change order no. 1 in the amount of \$500.00 for the installation of the air conditioning units in the control room, payable to JTR.

Following review and discussion, Director Jones moved to approve the engineer's report and, based on the engineers recommendation to approve: (1) approve change order no. 2 in the amount of \$4,000.00 for the installation of the air conditioning units in the control rooms; (2) Pay Estimate No. 4 in the amount of \$125,704.80 payable to MM&I; (3) Pay Estimate No. 4 in the amount of \$113,400.00 payable to Bussel & Sons, LLC.; (4) the proposal from Terracon for materials testing related to the access road project, in the amount of \$7,733.00 and authorize execution of a service agreement for same; and (5) Pay Estimate No. 5 in the amount of \$347,175.00, and approve change order no. 1 in the amount of \$500.00 for the installation of the air conditioning units in the control panels, payable to JTR Constructors. Director Cacolice 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

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

## UTILITY COMMITMENT REQUESTS

Mr. Ehler stated he has had discussions with representatives for the gas and retail center at the northwest corner of Highway 6 and Savannah Parkway, but he has not yet received a utility commitment request from them.

## OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month of May, a copy of which is attached. Ms. Campbell said that the ratio of water billed versus water produced for May was 99.0%.

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

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell reported on the replacement of the hatches on the GST and stated the repair is in process.

Ms. Campbell updated the Board on the motor failure at lift pump no. 2 at lift station no. 1. She stated EDP has submitted an insurance claim for the pump and the replacement is in process.

Ms. Campbell stated that the approved Consumer Confidence Report will be mailed to all District residents later in June.

## UPDATE ON CONVERSION OF STREET LIGHTS TO LED BULBS

Ms. Carner stated she has not received an update on the installation of the LED bulbs in the street lights. Director Jones stated she would follow up with Centerpoint.

After discussion, Director Medlock then moved to approve the operator's report. 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.

STORM WATER MANAGEMENT

There was no discussion on this matter.

REPORT ON LAKE MANAGEMENT AND MAINTENANCE

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

Ms. Carner stated at the previous meeting the Board authorized reimbursement to the Lakes of Savannah South Community Association (the "HOA") for payment of the electricity bills for the fountain meters until the new District account becomes active. She stated since the last Board meeting, the HOA has paid \$1,970.28 for the fountain meters. Director Jones moved to reimburse the HOA for last month's payment of the electrify bill for the fountain meters in the amount of \$1,970.28. Director Medlcok seconded the motion, which carried by unanimous vote.

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

The Board convened in Executive Session at 2:38 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 OFFER

The Board reconvened in open session at 3:19 p.m.

FIRE STATION NO. 6 INCLUDING PROPOSAL FROM CITY OF PEARLAND

Following discussion, the Board concurred to request an additional meeting with the City of Pearland staff, Katie Carner, Tim Austin and Directors Medlock and Jones to discuss the proposed fire protection service fees.

CONVENE IN EXECUTIVE SESSION TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board did not convene in executive session to discuss this matter.

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

Renee Medlock  
Secretary, Board of Directors

(SEAL)



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