MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

October 16, 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 16th day of October, 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, except Director Medlock, thus constituting a quorum.

Also present at the meeting were Justin Klump of Storm Water Solutions L.P.; Mike Harrington of American Enerpower Inc.; Lora Hughes 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"); Amy Symmank 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 Director Medlock (via teleconference).

PUBLIC COMMENTS

On behalf of residents of the District, Director Cacolice inquired about the status of construction of the reverse osmosis system and the improvements expected to the water quality once the system is operational.

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 September 18, 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.

AUTHORIZE ATTENDANCE AT ASSOCIATION OF WATER BOARD DIRECTORS SPRING AND FALL SEMINARS

Director Jenkins discussed the spring and fall seminars hosted by the Association of Water Board of Directors ("AWBD") in the Houston area each year. After discussion, Director Cacolice moved to approve attendance for interested Directors to the spring and fall seminars hosted by AWBD each year. Director DSouza seconded the motion, which carried by unanimous vote.

QUARTERLY REPORT FROM BEST TRASH

There was no discussion on this matter.

REVIEW ELECTRICITY PROPOSALS AND AUTHORIZE APPROPRIATE ACTION

Mr. Harrington stated the current electricity contract is with Hudson Energy and expires in June 2018. He presented and reviewed a proposal including current energy prices for a new contract beginning in July 2018, a copy of which is attached. After discussion the Board concurred to defer this item until the next meeting.

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

Ms. Hughes reviewed a report from S.E.A.L., a copy of which is attached.

Ms. Hughes left the meeting.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

There were no additional bookkeeping matters.

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 submitted the plans to the agencies and has received a no objection letter from Brazoria County Drainage District No. 4.

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 installation of the control panel air condition units and programming of the controls is on hold until the booster pump is installed.

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 he anticipates delivery of the pumps in approximately 8 weeks.

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 updated the Board on the status of this project. He stated there were no new pay estimates or change orders at this time.

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 updated the Board on the status of the project and stated the final inspection is scheduled for October 19, 2017.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR THE IMPROVEMENTS FOR WASTEWATER TREATMENT PLANT ACCESS ROAD

Mr. Ehler stated DVL Enterprises is the contractor for the access road project and updated the Board on the project. He stated the final inspection is scheduled for October 19, 2017.

Following review and discussion, Director Cacolice moved to approve the engineer's report. Director Jones 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 a pressure flow test on the BC MUD 29 water system lines has been completed and stated the results indicate that the pressure is insufficient to meet the TCEQ pressure flow requirements. Discussion ensued regarding the two way interconnection option and cost involved. After discussion, the Board concurred to deny the request from BC MUD 29 for a two-way interconnect.

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 received and is reviewing plans for a proposed retail and convenience store located at the northwest corner of Highway 6 and Savannah Parkway.

CAPITAL IMPROVEMENT PLAN

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

OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month of August, a copy of which is attached. Ms. Campbell said that the ratio of water billed versus water produced for August was 98.2%.

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 the District reported an excursion for a two-hour peak flow test preformed during Hurricane Harvey.

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

Ms. Campbell updated the Board on the water plant well motor replacement and stated the repair is complete.

Director DSouza then moved to approve the operator's report. Director Cacolice seconded the motion, which carried by unanimous vote.

FOURTH AMENDMENT TO AGREEMENT FOR OPERATING SERVICES

Ms. Campbell discussed the Fourth Amendment to the Agreement for operating services and stated she would be presenting it at the February 2018 meeting.

SECURITY AT DISTRICT FACULTIES, 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

Mr. Klump addressed the Board to discuss year four training and goals under the Stormwater Management Program. He requested authorization to submit a Notice to Change to the TCEQ to extend the year four goals relating to the Stormwater Guidance Manual. After discussion, Director Jones moved to authorize Storm Water

Solutions to submit the Notice of Change to the TCEQ. Director DSouza seconded the motion, which passed by unanimous vote.

REVIEW AND APPROVE THE FALL 2017 NEWSLETTER

Director Cacolice presented and reviewed a draft of the fall newsletter, a copy of which is attached. After discussion, Director DSouza moved to approve the fall newsletter, with the revisions as discussed. Director Cacolice 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 2:20 p.m. to conduct a private consultation with the attorney regarding pending or contemplated litigation or settlement offers. Ms. Carner and Ms. Cannon also were present.

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

The Board reconvened in open session at 2:50 p.m.

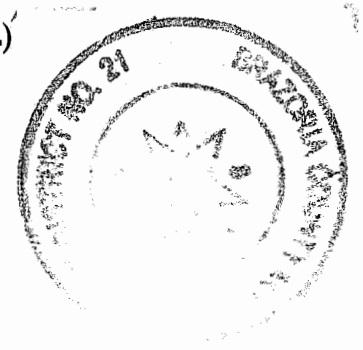
FIRE STATION STAFFING MATTERS

Following discussion, the Board concurred to authorize Director Medlock to speak at the next Pearland City Council meeting on Monday, October 23rd on behalf of the District, regarding the fire protection service fees and statin staffing.

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

Renae Medlock
Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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Tax Assessor's Report	1
Proposal from American Enerpower	2
Report from S.E.A.L.	2
Engineer's report	2
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Draft Fall Newsletter	6

Brazoria County MUD 21 **ENERGY REPORT**

Service Address	12/13-1/16	1/16-2/14	2/14-3/15	3/15-4/13	4/13-5/15	5/15-6/14	6/14-7/14	7/14-8/14	8/14-9/13				
13727 Hwy 6A	256	156	71	98	168	164	169	166	178				1,426
13506 Barton Meadow	2,577	2,166	2,370	2,191	2,548	2,539	2,407	2,471	3,836				23,105
Streetlights	11,096	11,096	11,096	11,096	11,096	0	11,096	11,096	11,096				88,768
Fountains	0	0	0	0	0	15,536	24,327	23,811	23,002				86,676
1511 CR 58 (Fire Station)	2,296	2,737		3,067	2,252	2,343	2,678	3,022	2,816				21,211
Hudson 6601 FM 521	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160				10,440
DirEnergy @ 6601 FM 521	38	38	38	38	38	38	38	38	38				342
1530 CR 58 (WP)	26,880	22,080	21,312	25,152	36,864	43,968	45,120	46,080	38,016				305,472
1527 1/2 CR 58 (RW)	15,456	12,960	12,960	15,648	22,944	43,968	26,880	28,512	21,504				200,832
CenterPoint (Fire Station)	0	67	75	11	11	8	30	5	4				211
13717 Hwy 6A (STP)	66,816	59,520	60,672	58,368	62,592	57,984	58,368	57,984	75,648				557,952
TOTAL KWH USED	126,575	111,980	109,754	116,829	139,673	167,708	172,273	174,345	101,650	0	0	0	1,296,435
AMOUNT PAID	17,038.56	16,199.29	16,127.59	16,281.18	17,707.60	18,588.02	19,723.41	19,743.45	22,833.64				164,242.74