

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

November 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 November, 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
Rena Medlock	Secretary
Noel DSouza	Assistant Secretary

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

Also present at the meeting were Shannon Waugh of Off Cinco; Mary DuBois of Acclaim Energy Advisors; Ms. Christie Leighton of Best Trash, LLP; Mike Harrington of American Enerpower Inc.; 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"); 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"); Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Harrington left the meeting.

Ms. DuBois reviewed a pricing report of current electricity rates from Acclaim, a copy of which is attached.

Ms. DuBois then left the meeting.

Mr. Harrington returned to the meeting.

CONSENT AGENDA

Director Jenkins offered Board members an opportunity to remove items from the consent agenda for individual discussion. Ms. Carner requested that item 2.e. be removed from the consent agenda. Director Jones 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 October 16, 2017, regular Board meeting; (2) the bookkeeper's report ; and (3) the tax assessor's report. Director Medlock 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

DISTRICT WEBSITE MATTERS

Ms. Waugh presented and reviewed an amendment to the services agreement with Off Cinco. She reviewed the average billing costs for the District and stated this amendment would be a flat rate fee of \$350.00 each month for services, which would include unlimited emails sent to residents in the District. After discussion, Director Cacolice moved to approve the amendment to the agreement with Off Cinco for a flat rate monthly fee of \$350.00, which includes all requested emails to residents. The Board concurred to send monthly emails before the meeting with the link to the agenda and after the meeting to notify residents that the minutes have been posted. Director DSouza seconded the motion, which carried by unanimous vote.

QUARTERLY REPORT FROM BEST TRASH

Ms. Leighton reviewed the Best Trash quarterly report. Discussion ensued regarding disposing of recycled items for pick up by Best Trash. The Board requested the most current recycling flyer, which describes the items that can be recycled, to be sent to Director Jones for posting on the District's website.

REVIEW ELECTRICITY PROPOSALS AND AUTHORIZE APPROPRIATE ACTION

Mr. Harrington stated the District's current electricity contract is with Hudson Energy and expires on June 13, 2018. He presented and reviewed a proposal including current energy prices for a new contract after the expiration of the current contract, a copy of which is attached.

Discussion ensued. Ms. DuBois re-entered the meeting. After discussion, Director Cacolice moved to authorize a new electricity contract with Hudson for 60 months beginning after the expiration of the current contract, at the rate of \$0.03840 per kwh, and to designate Director Jenkins as the liaison to execute the agreement upon approval by ABHR. Director Medlock seconded the motion, which carried by unanimous vote. Ms. DuBois left the meeting.

CONSENT TO ASSIGNMENT AND APPROVE AMENDMENT OF TAX ASSESSOR/ COLLECTOR CONTRACT

Ms. Patterson presented and reviewed a Consent to Assignment and Amendment to Tax Assessor/Collector Contract between the District and ASW, reflecting a change in the name of the tax collecting entity from Thomas Lee to ASW.

After review and discussion, Director Jones moved to approve the Consent to Assignment and Amendment to Tax Assessor/Collector Contract and direct it be filed appropriately and retained in the District's official records. Director Cacolice 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.

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

Mr. Reese left the meeting.

Ms. Carner reported that the Lakes at Savannah South Community Association is in the process of working with Brazoria County Constable's Office, Precinct 4, for supplemental law enforcement services and Brazoria County Municipal Utility District No. 22 ("MUD 22") has agreed to cost share in the agreement.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPTION OF AMENDED INVESTMENT POLICY

Ms. Carner explained that the Texas Public Funds Investment Act requires the Board to annually review its Investment Policy and authorize any appropriate amendments. She discussed amendments necessary as a result of new laws following the legislative session. Following review and discussion, Director Cacolice moved to adopt a Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director DSouza seconded the motion, which carried by unanimous vote.

ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Carner explained that the Texas Public Funds Investment Act requires the Board to annually review its list of broker/dealers and authorize any appropriate changes. After discussion, Director Cacolice moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, to update the existing list of qualified broker/dealers and to direct that the Resolution be filed appropriately and retained in the District's official records. Director DSouza 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 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 has addressed comments from Brazoria County and the City of Pearland and has received a no objection letter from Brazoria County Drainage District No. 4. He stated he will bring samples of pavestone to the next meeting to match the color of the existing blocks.

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.

Mr. Ehler stated that WWT has orally requested a payment in the amount of \$42,743.83, as Pay Estimate No. 5, to reduce the retainage by 5%. Mr. Ehler stated the total amount of the contract has not changed, but WWT is requesting a payment at this time. He stated WWT has not yet submitted a written pay estimate for the requested change.

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 the final completion date is expected to be on or about January 4, 2018.

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. Mr. Ehler presented and requested approval of Pay Estimate No. 6 in the amount of \$13,320.00 payable to McDonald Municipal & Industrial.

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 requested approval of Pay Estimate No. 8 in the amount of \$62,820.00 payable to Bussel & Sons, LLC.

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. Mr. Ehler presented and requested approval of Pay Estimate No. 4 in the amount of \$14,760.00 payable to DVL Enterprises, LLC.

Mr. Ehler reviewed and recommended approval of Change Order No. 1 to the contract with DVL Enterprises, LLC, for improvements for the wastewater treatment plant access road to increase the contract in the amount of \$8,150.00, for removal of an additional pipe discovered on the construction site. The Board determined that Change Order No. 1 is beneficial to the District.

RENEWAL OF TEXAS POLLUTION DISCHARGE ELIMINATION SYSTEM PERMIT

Mr. Ehler stated the waste water treatment plant ("WWTP") discharge permit will expire on September 1, 2018. He requested approval of the proposal to prepare the Permit Renewal application for the WWTP discharge permit in the amount of \$28,500.00.

Following review and discussion, Director Cacolice moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 6 in the amount of \$13,320.00, payable

to McDonald Municipal & Industrial; (3) approve Pay Estimate No. 8 in the amount of \$62,820.00 payable to Bussell and Sons, LLC.; (4) approve Pay Estimate No. 4 in the amount of \$14,760.00, payable to DVL Enterprises, LLC; (5) approve Change Order No. 1 in the amount of \$8,150.00, as an increase to the contract with DVL Enterprises, LLC, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (6) approve proposal for the preparation of the WWTP Discharge Permit Renewal application in the amount of \$28,500.00. Director DSouza seconded the motion, which carried by unanimous vote.

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 has reviewed the plans and submitted comments for a proposed retail and convenience store located at the northwest corner of Highway 6 and Savannah Parkway. He stated there was an additional request by MA & Sons Retail Center to review plans for two retail buildings totaling approximately 18,600 square feet.

CAPITAL IMPROVEMENT PLAN

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

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

The Board discussed check no. 6408 to Best Trash. Ms. Buckner stated that check no. 6408 in the amount of \$450.00, payable to Best Trash, will be voided. She stated the invoice was from Best Trash for the shred event. Ms. Carner stated the shred event was funded by MUD 22 and Ms. Buckner stated she would forward the invoice to the bookkeeper for MUD 22 for payment.

Mr. Ehler requested that a check be written and approved to pay WWT in the amount of \$42,743.83, as Pay Estimate No. 5 and that the check be held by the bookkeeper until WWT submitted and LJA approved a written pay estimate for the payment. After discussion, Director Jones moved to (1) approve voiding check no. 6408 in the amount of \$450.00, which was erroneously written to Best Trash for the shred event in MUD 22; and (2) approve the additional check as Pay Estimate No. 5, in the amount of \$42,743.83, payable to WWT, but direct that the check be held until LJA has received and approved a written pay estimate for same. Director Calcolice seconded the motion, which carried by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month of September, a copy of which is attached. Ms. Campbell said that the ratio of water billed versus water produced for September was 96.6%.

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

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell presented a reviewed a request from the resident at 5507 Willowpeak Court to reimburse the resident for a plumber servicing their private service line. Ms. Campbell stated the total amount of the resident's request is approximately \$89.00, however the scanned image from the resident was illegible. Discussion ensued.

Director Jones moved to (1) approve the operator's report; and (2) to deny the request from the resident at 5507 Willowpeak Court and direct EDP to notify the resident to submit a leak adjustment request for Board consideration if they suspect they have a leak. Director Cacolice seconded the motion, which carried by unanimous vote.

SECURITY AT DISTRICT FACILITIES, 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

There was no discussion on this matter.

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.

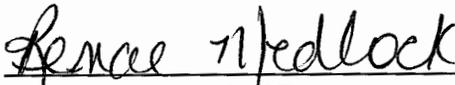
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING CONTEMPLATED LITIGATION, OR SETTLEMENT OFFER

The Board did not convene in Executive Session.

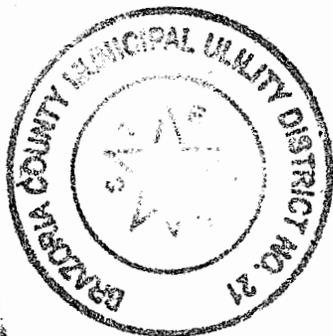
FIRE STATION STAFFING MATTERS

Ms. Carner updated the Board on the status of the negotiations with the City of Pearland regarding the Fire and EMS staffing fees and stated she has not yet received a response from the City.

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


Secretary, Board of Directors

(SEAL)



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