

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

May 21, 2018

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 21st day of May, 2018, 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:

Renae Medlock	President
Fatiyauh Jones	Vice President
Kiesha Curtis	Secretary
John Cacolice	Assistant Vice President
Noel DSouza	Assistant Secretary

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

Also present at the meeting were Byron Mott, resident of the District; Ethan Springer of Friendswood Development Company; Bill Ehler and Maria Flores of LJA Engineering, Inc. ("LJA"); Lori Buckner of Myrtle Cruz, Inc. ("Myrtle Cruz"); Brea Campbell of Environmental Development Partners, LLC ("EDP"); Rhonda Patterson of Assessments of the Southwest, Inc. ("ASW"); Kim Courte of Arthur J. Gallagher & Co. ("AJG"); and Katie Carner, Sandra Staine, and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Medlock addressed the Board, congratulating Director Cacolice on his re-election and welcoming Director Curtis to the Board.

Ms. Carner introduced Ms. Staine to the Board.

CONSENT AGENDA

Director Medlock offered Board members an opportunity to remove items from the consent agenda for individual discussion. Director Jones requested that the bookkeeper's report 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 April 16, 2018, regular Board meeting; (2) the minutes from the May 15, 2018, special Board meeting; (3) the Travel Reimbursement Guidelines and Director Expenses for the Association of Water Board Director summer conference; and (4) the tax assessor's report. Director DSouza seconded the motion, which carried by unanimous vote. A copy of the tax assessor's report is attached.

## ITEMS REMOVED FROM CONSENT AGENDA

The Board reviewed the bookkeeper's report, a copy of which is attached. Director Jones inquired about check no. 6622 payable to Lakes of Savannah South Community Association (the "HOA") for the cost of the patrol vehicle and accompanying equipment pursuant to the Cost Sharing Agreement between the District and the HOA approved on February 19, 2018. Discussion ensued regarding the status of the HOA's receipt of sufficient documentation from the Brazoria County Constable's Office, Precinct 4, for the patrol vehicle costs. After discussion, Director DSouza moved to approve the bookkeeper's report, including check no. 6622 payable to the HOA for the cost of the patrol vehicle and associated equipment. Director Cacolice seconded the motion, which carried unanimously.

## SECURITY SERVICES

The Board reviewed the monthly Brazoria County Constable's Office security report, a copy of which is attached.

## ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

There was no discussion on this agenda item.

## ENGINEER'S REPORT

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

## APPROVE PLANS AND SPECIFICATIONS FOR THE REPAIR OF DETENTION POND EROSION AT LAKE 2

Mr. Ehler stated the LJA has completed the plans and specifications for the repair of erosion at lake 2. He stated LJA has received approval from all agencies. Mr. Ehler requested approval of the plans and specifications and authorization for advertisement for bids.

## REVIEW BIDS AND AWARD CONTRACT FOR THE WASTEWATER TREATMENT PLANT ("WWTP") EXPANSION

Mr. Ehler stated LJA received six bids for the WWTP expansion. He reported that T&C Construction, LTD ("T&C") submitted the lowest bid in the amount of \$1,628,275. Mr. Ehler recommended that the Board accept the bid from T&C in the amount of \$1,628,275. The Board agreed that award of the contract to T&C will be most advantageous to the District and will result in the best and most economical completion of the District's facilities.

REVIEW BIDS AND AWARD CONTRACT FOR THE DRAINAGE IMPROVEMENTS AT THE WATER PLANT SITE

Mr. Ehler stated LJA has begun surveying the water plant site. He reported that once the surveys are complete, LJA will begin preparation of plans and specifications.

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 reminded the Board that WWT has submitted a pay estimate for the completion of the reverse osmosis project; however, he stated the project is not complete because the Texas Commission on Environmental Quality ("TCEQ") has not yet approved the District's application to put the reverse osmosis system into use.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR THE CONSTRUCTION OF THE REVERSE OSMOSIS SYSTEM

Mr. Ehler stated that JTR Constructors ("JTR") is the contractor for the reverse osmosis system. He reviewed and recommended approval of pay estimate no. 9, in the amount of \$14,150.14 to JTR for the reverse osmosis system.

PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR THE WATER PLANT HYDRO-PNEUMATIC AND GROUND STORAGE TANK REHABILITATION

Mr. Ehler stated the contractor for the water plant rehabilitation project is Gemini Contracting Services, Inc. He stated construction will not commence until the reverse osmosis system is fully operational.

RENEWAL OF TEXAS POLLUTION DISCHARGE ELIMINATION SYSTEM PERMIT

Mr. Ehler stated the WWTP discharge permit will expire on September 1, 2018, and LJA has submitted the WWTP Discharge Permit Renewal application to the TCEQ. He noted that LJA published the public notice, as required by the TCEQ, on May 6, 2018.

DEEDS, EASEMENTS, AND PHASE I ENVIRONMENTAL ASSESSMENT PROPOSAL

There was no discussion on this matter.

## PROPOSAL FOR PREPARATION OF INDUSTRIAL WASTEWATER DISCHARGE PERMIT ASSOCIATED WITH WATER PLANT

Mr. Ehler presented a proposal for engineering services from LJA pertaining to the newly installed reverse osmosis system. He recommended that the Board submit an application to the TCEQ to obtain an Industrial Wastewater Discharge Permit to allow the discharge of wastewater generated from the reverse osmosis system to the District's storm sewer system, rather than to the District's WWTP. Mr. Ehler requested Board approval of the proposal for engineering services in the amount of \$19,500 for the preparation and submittal of the Industrial Waste Discharge Permit application.

## COMMERCIAL PLAN REVIEWS AND UTILITY COMMITMENT REQUESTS

There was no discussion on this item.

## CAPITAL IMPROVEMENT PLAN

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

Following discussion, Director Cacolice moved to approve the engineer's report and, based on the engineer's recommendation, to (1) approve plans and specifications and authorize solicitation or advertisement, as appropriate, for bids for the repair of erosion at lake 2; (2) award the contract to T&C for the WWTP expansion project, in the amount of \$1,628,275, subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor; (3) approve pay estimate no. 9, in the amount of \$14,150.14, to JTR for the construction of the reverse osmosis system; and (4) approve the proposal from LJA for engineering services in the amount of \$19,500, related to the Industrial Wastewater Discharge Permit application. Director DSouza seconded the motion, which carried by unanimous vote.

## OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month March, a copy of which is attached. She said that the ratio of water billed versus water produced for March was 93%.

Ms. Campbell reported on repairs and maintenance at the fire station.

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell updated the Board on the water plant reverse osmosis system and status of the previously approved modifications to the chlorine feed system and rerouting of underground piping.

Ms. Campbell requested approval, subject to final review, of an agreement with Neil Technical Services Corporation ("NTS") for the rental of an emergency generator in the amount of \$600.00 per month from June 2018 to November 2018 for emergency preparedness.

Ms. Campbell reviewed and requested approval of the District's 2017 Consumer Confidence Report ("CCR").

Ms. Campbell requested approval of a proposal from Bex Security ("Bex") in the total amount of \$10,948.00 for security cameras and equipment at District facilities.

Ms. 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.

Ms. Campbell noted EDP plans to present an amendment to its Service Agreement at the next meeting to reflect the additional costs of operating the reverse osmosis system.

Director Cacolice reported that a resident located at 5504 Sandy Fields Court requested that EDP investigate meter accuracy. Discussion ensued regarding EDP's field investigation of the account and the possibility of bench testing the meter. Discussion ensued regarding who should pay for any such bench testing.

Director Jones reported resident damage to the fence at lift station no. 2 and requested EDP inspect and replace damaged fencing, as necessary.

Following discussion, Director Cacolice moved to (1) approve the operator's report; (2) approve agreement with NTS for the rental of an emergency generator in the amount of \$600 per month from June-November 2018, subject to final review; (3) approve the CCR and authorize EDP to distribute the CCR to the District's customers and certify the distribution with the TCEQ by July 1, 2018; (4) approve the proposal from Bex in the amount of \$10,948.00 for security cameras and equipment and authorize execution of an agreement with Bex for same; (5) authorize the annual filing of the CLS with the appropriate entities as required; and (6) authorize EDP to contact the resident at 5504 Sandy Fields Court and offer a bench test for the meter, paid for by the resident. Director Medlock seconded the motion, which passed unanimously.

#### 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.

FIRE STATION STAFFING MATTERS, INCLUDING PROPOSALS FOR REPAIR OF IRRIGATION SYSTEM, STATION MAINTENANCE, FIRE/EMS PROTECTION AGREEMENT AND PROPOSAL FROM CITY OF PEARLAND ("CITY") REGARDING FIRE PROTECTION FEES AND STATION STAFFING

The Board deferred discussion regarding this matter to Executive Session.

STORM WATER MANAGEMENT

There was no discussion on this matter.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board reviewed insurance proposals from McDonald & Wessendorff Insurance ("McDonald") and HARCO Insurance Services ("HARCO"). Ms. Courte reviewed an insurance proposal from AJG. Ms. Carner reviewed correspondence from HARCO regarding additional information required by HARCO to prepare a proposal for windstorm coverage. After discussion, the Board concurred to reject the proposal from HARCO and request that a representative from McDonald attend the next Board meeting to present their proposal.

APPROVE SPRING 2018 NEWSLETTER

This agenda item was deferred.

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

The Board convened in Executive Session at 3:04 p.m. to conduct a private consultation with the attorney regarding pending or contemplated litigation or settlement offers. Ms. Carner, Ms. Staine, and Ms. Huston were also present.

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

The Board reconvened in open session at 3:28 p.m.

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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