

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

October 15, 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 15th day of October, 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 Christie Leighton of Best Trash, LLC; David King, representing the Lakes of Savannah South Community Association, Inc. ("HOA"); Patrick Kohleffel and Steve Arrington of Lake Pro, Inc.; Kane Mudd and Bill Ehler of LJA Engineering, Inc. ("LJA"); 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"); and Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA

Director Medlock offered Board members an opportunity to remove items from the consent agenda for individual discussion. Ms. Carner requested that item 2.f. 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 September 17, 2018, regular Board meeting; (2) the bookkeeper's report; (3) the tax assessor's report; and (4) the Arbitrage Rebate Report for the Series 2013 Refunding Bonds. Director Cacolice seconded the motion, which carried by unanimous vote. Copies of the bookkeeper's report and tax assessor's report are attached.

## ITEMS REMOVED FROM CONSENT AGENDA

Ms. Carner reported that the District's share of the invoice received from the HOA for the patrol vehicle and associated equipment was less than the amount paid by the District pursuant to the Cost Sharing Agreement between the HOA and the District. She stated she requested the HOA investigate the matter and provide reimbursement for the amount of any overpayment.

## REPORT FROM LAKE PRO, INC. ("LAKE PRO"), ON LAKE MAINTENANCE, INCLUDING PROPOSAL FOR REPLACEMENT OF LAKE 5 FOUNTAIN 2

The Board reviewed a lake maintenance report from Lake Pro, a copy of which is attached. Mr. Kohleffel updated the Board on the status of fountain operation and repairs in lakes around the District. Discussion ensued regarding the frequency of inspections and required repairs of the fountains. The Board requested Lake Pro provide the Board with a spreadsheet indicating the age and replacement schedule for all fountains in the District. The Board also discussed designating a Board liaison for fountain operation and repair matters.

The Board then reviewed a proposal in the amount of \$12,656.00 for replacement of the motor for fountain no. 2 at lake no. 5. Mr. Kohleffel stated the fountain replacement proposal includes a five-year motor parts warranty and a three-year parts warranty.

After review and discussion, Director Jones moved to (1) designate Director Curtis as the Board liaison for matters related to fountain operation and repair; and (2) approve the proposal in the amount of \$12,656.00 for replacement of the motor for fountain no. 2 at lake no. 5. Director Cacolice seconded the motion, which passed by unanimous vote.

## QUARTERLY REPORT FROM BEST TRASH

Ms. Leighton discussed garbage collection and recycling matters in the District. Discussion ensued.

## ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING ADDITIONAL CHECKS

Ms. Buckner requested the Board approve check nos. 6797 and 6798 in the amounts of \$1,407.65.00 to Terracon and \$2,500.00 to NorrisLeal Engineering Water ("NorrisLeal"), respectively. The Board also discussed check no. 6775 in the amount of \$27,169.52. After discussion, Director Jones moved to (1) approve check nos. 6797 and 6798, as recommended; and (2) direct the bookkeeper to hold check no. 6775, in the amount of \$27,169.52. Director Curtis 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 AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR THE EMERGENCY GENERATOR FOR THE REVERSE OSMOSIS SYSTEM

Mr. Ehler stated that LJA has begun the preparation of the plans and specifications for the proposed emergency generator for the reverse osmosis system.

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

Mr. Ehler stated that LJA has completed the plans and specifications for the drainage improvements at the water plant site and submitted to all agencies.

### PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR THE REVERSE OSMOSIS EQUIPMENT, INCLUDING PROPOSALS FOR TESTING AND ADDRESSING POTENTIAL CORROSION ISSUE

Mr. Ehler stated the reverse osmosis system equipment has been installed, but EDP and LJA are still working through some minor issues. He stated the reverse osmosis system currently is operating in a semi-automated process.

### 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 stated that JTR needs to install additional equipment to complete the wiring for the alarms for the reverse osmosis system. Mr. Ehler stated that JTR reported that the necessary equipment is scheduled for delivery on October 19, 2018.

### PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE FOR THE WATER PLANT HYDROPNEUMATIC AND GROUND STORAGE TANK REHABILITATION

Mr. Ehler stated the contractor for the water plant rehabilitation project is Gemini Contracting Services, Inc. ("Gemini"). He stated the contractor has identified excessive corrosion on the roof of the ground storage tank, and LJA is coordinating with Gemini to prepare recommendations for repair to present at the next Board meeting. He stated that the bid package for the project included

contingencies for potential repair or replacement of corrosion or other damage to the facilities.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR THE WASTEWATER TREATMENT PLANT ("WWTP") EXPANSION

Mr. Ehler stated the contractor for the WWTP expansion project is T&C Construction, LTD. He stated the contractor has mobilized and began construction.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR THE REPAIR OF DETENTION POND EROSION AT LAKE 2

Mr. Ehler stated that Jerdon Enterprises, L.P., is the contractor for the repair of the detention pond erosion at Lake 2. He stated the Notice to Proceed was issued on August 1, 2018, and the original completion date was scheduled for October 20, 2018. Mr. Ehler stated the contractor has mobilized, but inclement weather conditions have delayed construction.

RENEWAL OF TEXAS POLLUTION DISCHARGE ELIMINATION SYSTEM PERMIT

Mr. Ehler stated the WWTP discharge permit expired on September 1, 2018, but remains active since LJA timely submitted the WWTP Discharge Permit Renewal application to the Texas Commission on Environmental Quality ("TCEQ"). He stated LJA received a draft permit from the TCEQ, and LJA and EDP are reviewing the draft permit and will provide comments, if any, to the TCEQ by the end of the week.

INDUSTRIAL WASTEWATER DISCHARGE PERMIT ASSOCIATED WITH WATER PLANT

Mr. Ehler updated the Board on the status of the preparation of the industrial wastewater discharge permit associated with the water plant. He stated that NorrisLeal reported that the TCEQ may require additional testing in order to obtain the permit. Mr. Ehler stated that LJA has requested EDP to take samples of the wastewater discharged from the reverse osmosis system and provide the results to NorrisLeal in order for NorrisLeal to conduct additional discharge modeling. He stated NorrisLeal will provide a proposal for the additional modeling at the next regular meeting.

DEEDS, EASEMENTS, AND PHASE I ENVIRONMENTAL ASSESSMENT PROPOSAL

There was no discussion on this matter.

UPDATE ON POTENTIAL PURCHASE OF 12.54-ACRE TRACT AT SAVANNAH PARKWAY AND SAVANNAH BEND DRIVE

There was no discussion on this matter.

COMMERCIAL PLAN REVIEWS AND UTILITY COMMITMENT REQUESTS

Mr. Mudd updated the Board on the status of development of the two retail buildings consisting of 18,600 square feet. He stated the developer is modifying the structural plans and LJA anticipates receiving a revised set of plans soon.

CAPITAL IMPROVEMENT PLAN

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

Mr. Mudd updated the Board on the status of the drainage issue on Savannah Parkway at Highway 6. He stated LJA prepared a letter to Texas Department of Transportation ("TxDoT") regarding the issue. The Board discussed requesting authorization from TxDoT for the District to make needed drainage repairs.

Following discussion, Director Cacolice moved to (1) approve the engineer's report; and (2) authorize LJA to request authorization from TxDoT to make needed drainage repairs at Savannah Parkway and Highway 6 and obtain a proposal for the repairs. Director DSouza 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. She said that the ratio of water billed versus water produced for September was 95.9%.

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 status of the installation of the security camera equipment at District facilities and stated the installation is expected to be completed prior to the next Board meeting.

Ms. Campbell updated the Board on the status of the replacement of pump no. 1 at lift station no. 1. She stated the repair is in progress.

Ms. Campbell updated the Board on the status of the fire hydrant damaged by a vehicle accident on December 25, 2017. She stated that EDP received the police report and has submitted a claim for reimbursement on behalf of the District to the driver of the vehicle for the cost of the repair of the damaged fire hydrant.

Ms. Campbell presented and reviewed a draft of the postcard mailers inviting residents to sign up for District e-mail alerts, a copy of which is attached. The Board discussed revisions to the draft mailer.

Following discussion, Director Jones moved to approve the operator's report. Director DSouza 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 Jones 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.

#### PHASE II MS4 STORM WATER MANAGEMENT PLAN, INCLUDING ADOPT AMENDED RATE ORDER

The Board deferred discussion on this matter.

#### DISTRICT NEWSLETTER, INCLUDING DISCUSS SERVICE AGREEMENT WITH L. SCHOTT ARTISTRY

Director Cacolice stated that he is unable to continue his service as the District's newsletter liaison. Director Medlock stated that Lindsey Schott of L. Schott Artistry informed her that Ms. Schott is also unable to complete the District's newsletter. The Board then discussed terminating the service agreement with L. Schott Artistry. After

discussion, Director Jones moved to terminate the service agreement with L. Schott Artistry and authorize ABHR to obtain proposals for development of a quarterly District electronic newsletter for the Board's review at the next regular meeting. Director DSouza seconded the motion, which carried by unanimous vote.

OPERATION OF DISTRICT FACILITIES (CONT'D)

Director Medlock encouraged the Board to be consistent in directing residents to the District's website for information regarding District matters. She noted a recent incident with a water main break and discussion ensued regarding reporting of the water and sewer issues to EDP to ensure timely response.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board did not convene in executive session to deliberate the purchase, exchange, lease or value of real property.

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

The Board convened in Executive Session at 2:37 p.m. to conduct a private consultation with the attorney regarding pending or contemplated litigation or settlement offers. Ms. Carner and Ms. Ramirez were also 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. The Board took no action.

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

  
Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

Minutes  
Page

Bookkeeper's report.....1  
Tax assessor's report.....1  
Lake Pro Maintenance report.....2  
Engineer's report.....3  
Operator's report.....5  
Draft postcard mailer inviting residents to sign up for District email alerts.....6