

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

February 18, 2019

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 18th day of February, 2019, 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, except Director Medlock, thus constituting a quorum.

Also present at the meeting were Cris Meyer and Nick Steffek of Lake Management Services, LP ("LM"); Christie Leighton of Best Trash, LLC; Kane Mudd 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 Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

Director Jones called the meeting to order at 1:05 p.m.

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA

Director Jones offered Board members an opportunity to remove items from the consent agenda for individual discussion. Director Cacolice requested that item 2.e. be removed from the consent agenda. Director Cacolice 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 January 21, 2019, regular Board meeting; (2) the bookkeeper's report; (3) the tax assessor's report; and (4) the report on supplemental law enforcement services. Director DSouza seconded the motion, which carried by unanimous vote. Copies of the bookkeeper's report, the tax assessor's report, and supplemental law enforcement services report are attached.

ITEMS REMOVED FROM CONSENT AGENDA

Director Cacolice discussed ways to improve communications with residents and increase the use of the District website. He requested authorization to work with EDP to create short informational videos to discuss the potable water supply processes and wastewater treatment facilities and post them on the District's website. After discussion, Director Jones moved to authorize Director Cacolice to work with EDP to create informational videos as discussed. Director DSouza seconded the motion, which carried by unanimous vote.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES AND AUTHORIZE ATTENDANCE AT THE SUMMER CONFERENCE

The Board discussed seminars and attendance at the AWBD winter conference. Upon a motion made by Director DSouza and seconded by Director Jones, the Board unanimously approved reimbursement of eligible expenses for Directors attending the winter conference and authorized attendance by the directors at the AWBD summer conference.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

The Board considered approving and authorizing filing of the District's Annual Report in accordance with Securities and Exchange Commission Rule 15c2-12. Ms. Carner explained that the District's bond resolutions require the District update certain financial information about the District on an annual basis. After discussion, Director Jones moved to approve and authorize filing of the Annual Report. Director DSouza seconded the motion, which carried by unanimous vote.

QUARTERLY REPORT FROM BEST TRASH, INCLUDING UPDATE ON SPRING 2019 SHRED EVENT

Discussion ensued regarding the date and location of the shred event and event security provided by the Constable's office. Ms. Leighton stated that the Lakes of Savannah South Community Association (the "HOA") Clubhouse parking lot has been confirmed for the Shred event on March 23, 2019, from 9:00 a.m. to 12:00 p.m.

Ms. Leighton discussed garbage and recycling services in the District.

DISTRICT NEWSLETTER

Ms. Carner distributed and reviewed the draft newsletter with a revised article for the Reverse Osmosis System by LJA. After discussion, the Board moved to approve

the newsletter for distribution, subject to final review. Director Cacolice seconded the motion, which carried by unanimous vote.

LAKE MAINTENANCE MATTERS

REPORT FROM LAKE PRO, INC. ("LAKE PRO")

The Board reviewed a lake maintenance report from Lake Pro, a copy of which is attached. Ms. Carner stated ABHR has confirmed the termination date with Lake Pro for February 20, 2019.

REPORT FROM LAKE MANAGEMENT SERVICES, L.P., INCLUDING PROPOSALS FOR LAKE AND FOUNTAIN MAINTENANCE OR REPAIR

Mr. Meyer introduced himself and Mr. Steffek. He discussed the current condition of the District lakes and fountains and recommended that the Board approve the proposal for bi-weekly visits in the amount of \$1,450 per month. He presented and reviewed a summary of repairs on the lakes from 2002 through 2012 when Lake Management ("LM") was the previous lake management company for the District, a copy of which is attached.

Director Curtis discussed the fountain lights, spray patterns and the timer setting on the fountains. Mr. Meyer stated that LM will present a proposal for the replacement of the lights for the fountains to match brightness and color at the next Board meeting. He stated LM will attempt to make the fountain spray patterns as uniform as possible, but stated that there are limits based on the three different types of fountains currently in the lakes. After discussion, the Board concurred to have the timers for the fountains set daily to come on at 6:00 a.m. and go off at 11:00 p.m.

Mr. Meyer stated fountain 1 at Lake 5 was inspected. He presented and reviewed a proposal in the amount of \$3,850.00 for the installation of new electric service for fountain 1 at Lake 5. Discussion ensued regarding the need for the repair.

Mr. Meyer stated the shell panel for fountain 2 at Lake 4 is rusted and needs to be replaced. He presented and reviewed a proposal in the amount of \$587.50 for the installation of a new panel shell for fountain 2 at Lake 4B.

After discussion Director Cacolice moved to (1) approve the proposal from Lake Maintenance in the amount of \$1,450.00 for bi-weekly visits; (2) approve the proposal in the amount of \$3,850.00 for the installation of new electric service for fountain 1 at Lake 5; and (3) approve the proposal in the amount of \$587.50 for the installation of a new panel shell for fountain 2 at Lake 4B. Director Jones seconded the motion, which carried by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING
ADDITIONAL CHECKS

The Board discussed check no. 6903 in the amount of \$27,169.52. After discussion, Director Jones moved to direct the bookkeeper to hold check no. 6903, in the amount of \$27,169.52. Director Cacolice seconded the motion, which carried by unanimous vote.

ENGINEER'S REPORT

Mr. Mudd 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. Mudd stated that LJA has begun the preparation of the plans and specifications for the proposed emergency generator for the reverse osmosis system and stated the plans and specifications were submitted to all agencies on December 12, 2018.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE
ADVERTISEMENT FOR BIDS FOR THE 1.05 MILLION GALLON PER DAY
WASTEWATER TREATMENT PLANT EXPANSION ("WWTP")

Mr. Mudd stated that LJA has begun the preparation of the plans and specifications for the next WWTP expansion and plans to submit to all agencies in February 2019.

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

Mr. Mudd stated LJA received 4 bids for the drainage improvements at the water plant site. Mr. Mudd reported that Aranda Industries, LLC, submitted the apparent lowest bid in the amount of \$59,952.00. Mr. Mudd stated that LJA has requested a Statement of Qualifications from the contractor to confirm they are a qualified bidder. Mr. Mudd recommended that the Board defer action at this time.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR
THE REVERSE OSMOSIS SYSTEM, INCLUDING PROPOSALS FOR
CORROSION TESTING

Mr. Mudd stated the contractor for this project is Wigen Water Technologies (WWT). He updated the Board on the status of the programming modifications by Hatch. Mr. Mudd stated EDP is coordinating with Hatch to finalize the remaining modifications.

Mr. Mudd stated the one-year maintenance bond will expire in March and LJA has requested that WWT perform a quarterly visit in February to complete an inspection of the reverse osmosis equipment and address remaining concerns from EDP and LJA.

Discussion ensued regarding the potential corrosion issue on the stainless steel piping.

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

Mr. Mudd stated the contractor for the water plant rehabilitation project is Gemini Enterprises, Inc. ("Gemini"). He stated the project has been delayed due to poor weather conditions. Mr. Mudd stated that that contractor damaged the onsite water well motor while sand blasting the ground storage tank. Mr. Mudd stated the contractor has agreed to repair the motor and offer a one-year warranty on the equipment at no cost to the District. Mr. Mudd recommended approval of Change Order No. 3 in the amount of \$0 to the contract with Gemini for the repair of the water well motor. The Board determined that Change Order No. 1 is beneficial to the District.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR THE 0.75 MILLION GALLON WWTP EXPANSION

Mr. Mudd stated the contractor for the WWTP expansion project is T&C Construction, LTD ("T&C"). Mr. Mudd reviewed and recommended approval of Pay Estimate No. 6, in the amount of \$411,750.00, payable to T&C.

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

Mr. Mudd stated that Jerdon Enterprises, L.P. ("Jerdon"), is the contractor for the repair of the detention pond erosion at Lake 2. He requested approval of Pay Estimate No. 4 in the amount of \$40,049.58, payable to Jerdon.

DRAINAGE REPAIRS AT SAVANNAH PARKWAY AND HIGHWAY 6

Mr. Mudd updated the Board on the status of the drainage repairs at Savannah Parkway and Highway 6. He stated the project has been delayed due to poor weather and scheduling conflicts.

RENEWAL OF TEXAS POLLUTION DISCHARGE ELIMINATION SYSTEM PERMIT

Mr. Mudd stated the prior WWTP discharge permit expired on September 1, 2018, but remained active since LJA timely submitted the WWTP Discharge Permit Renewal application to the Texas Commission on Environmental Quality

("TCEQ"). He stated LJA received the final permit from the TCEQ, and the renewal is complete.

INDUSTRIAL WASTEWATER DISCHARGE PERMIT ASSOCIATED WITH WATER PLANT

Mr. Mudd stated LJA anticipates the submittal of the Industrial Wastewater Discharge Permit Application by NorrisLeal to be in March, 2019.

DEEDS, EASEMENTS, AND PHASE I ENVIRONMENTAL ASSESSMENT PROPOSALS

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 two retail buildings consisting of 18,600 square feet at Savannah Parkway and Highway 6. He stated the developer has not yet submitted revised plans to LJA.

CAPITAL IMPROVEMENT PLAN

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

Following discussion, and based on the engineer's recommendation, Director Cacolice moved to (1) approve the engineer's report; (2) approve Change Order No. 3 for the repair of the water well motor in the amount of \$0, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (3) approve Pay Estimate No. 6, in the amount of \$411,750.00, payable to T&C; and (4) approve Pay Estimate No. 4 in the amount of \$40,049.58, payable to Jerdon. Director Curtis seconded the motion, which carried by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Ms. Campbell reviewed the operator's report for the month of January, a copy of which is attached. She said that the ratio of water billed versus water produced for January was 97.7%.

Ms. Campbell reported on water quality monitoring tests.

Ms. Campbell updated the Board on the repairs to lift pump no. 2 at lift station no. 2. She stated the repair is complete.

Ms. Campbell updated the Board on the status of the utility services at 14009 Savannah Landing. She stated that no new account has been set up at this address as requested on multiple occasions. Ms. Campbell stated that upon inspection of the meter, it was noted that the meter was tampered with two times and was removed by EDP. She stated EDP removed the service line after the second incident. Discussion ensued regarding the Amended Rate Order provisions and other options related to unauthorized connections. After all discussion, the Board concurred that the payment plan offered previously should be withdrawn, and the resident required to pay all past due amounts on the account before a new account is opened.

Ms. Campbell updated the Board on the requested investigation of Ms. Johnson's water usage for the months of November and December of 2018 at 13406 Barton Meadow. She stated after investigation no District issues were found. She recommended the Board offer a three-month payment plan to Ms. Johnson for the balance due.

Following discussion, Director Jones moved to approve the operator's report; and authorize EDP to offer a three-month payment plan to the resident at 13406 Barton Meadow for the balance due. Director Cacolice 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 Cacolice seconded the motion, which carried by unanimous vote.

FIRE STATION STAFFING MATTERS, INCLUDING STATION MAINTENANCE, FIRE/EMS PROTECTION AGREEMENT WITH THE CITY OF PEARLAND ("CITY"), CORRESPONDENCE REGARDING ANNUAL ADJUSTMENT TO MONTHLY CHARGES, AND PROPOSALS REGARDING FIRE PROTECTION SERVICES AND ASSOCIATED COSTS AND FEES

The Board deferred discussion on this item to executive session.

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

The Board convened in executive session at 2:43 p.m. to conduct a private consultation with the attorney regarding pending or contemplated litigation or settlement offers. Ms. Carner and Ms. Cannon were also present.

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

The Board reconvened in open session at 3:08 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)



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