

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

March 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 March, 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 Robina Sprouill, a member of the public; Linda Sophuf and Delores Jenkins, residents of the District; Christie and Kenny Wells of NJ Services, LLC; Nick Steffek of Lake Management Services, LP ("LM"); Kane Mudd of LJA Engineering, Inc. ("LJA"); Lori Buckner of Myrtle Cruz, Inc. ("Myrtle Cruz"); Brea Campbell and Bruce Dubiel 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").

PUBLIC COMMENTS

Director Jones welcomed former Board member Ms. Jenkins to the meeting. Ms. Sophuf and Ms. Sprouill introduced themselves to the Board.

CONSENT AGENDA

Director Jones offered Board members an opportunity to remove items from the consent agenda for individual discussion. Director Curtis requested that item 2.c. 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 February 18, 2019, regular Board meeting; (2) the bookkeeper's report; and (3) the report on supplemental law enforcement services. Director DSouza seconded the motion, which carried by unanimous vote. Copies of the bookkeeper's report and supplemental law enforcement services report are attached.

## ITEMS REMOVED FROM CONSENT AGENDA

Director Curtis requested a detailed review of the tax assessor's report and delinquent tax report. Ms. Patterson reviewed the tax assessor's report, a copy of which is attached. She discussed a request from resident Jamie Jen to waive penalty and interest fees related to the delinquent tax bill for 5714 Meadow Breeze Lane due to the resident stating they did not received the tax bill. After discussion, Director Curtis moved to approve the tax assessor's report and deny the request from the resident at 5714 Meadow Breeze Lane for a waiver of penalties and interest fees on her delinquent tax bill. Director Jones seconded the motion, which carried by unanimous vote.

## DISTRICT NEWSLETTER

Ms. Carner stated the quarterly newsletter was posted on the District's website during the last week in February.

## ORDER ADOPTING AMENDED AMD RESTATED PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Carner stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. Ms. Carner added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. Ms. Carner explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. Ms. Carner added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, the Board has previously adopted such procedures in writing. Ms. Carner stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12, ABHR recommends that the District's written procedures be amended by the Board. Ms. Carner reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director DSouza moved to adopt the Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Cacolice seconded the motion, which passed by unanimous vote.

## ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed the current voluntary tax exemptions and requested the financial advisor attend the April Board meeting to discuss the 2019 voluntary tax exemptions.

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

Mr. Steffek discussed the fountain maintenance and repairs completed as directed by the Board at the last meeting. Discussion ensued regarding the repairs at

Lake 5 fountain 1. Director Curtis reported on the fountains that appear to have the most frequent issues. Mr. Steffek stated that LM would closely monitor all fountains.

#### QUARTERLY REPORT FROM NJ SERVICES

Ms. Wells distributed and reviewed the quarterly report on maintenance services, a copy of which is attached.

Ms. Wells stated that a resident located at 5433 Lilac Grove has replaced their wooden fence, but left the old fence debris on the District's drainage channel property behind their residence. She stated NJ Services is unable to provide maintenance in that area due to the fence debris. She presented photographs of the affected area and a proposal in the amount of \$550.00 for the debris removal, copies of which are attached. After discussion, the Board concurred to authorize ABHR to send a letter to the resident requesting that the resident remove the fence debris within 10 days.

Ms. Wells presented and reviewed a proposal in the amount of \$290.00 for fungicide treatment for 3 trees at the fire station site. Discussion ensued regarding the condition of the trees. After discussion, Director Jones moved to approve the proposal in the amount of \$290.00 to treat the 3 trees at the fire station site. Director Cacolice seconded the motion, which carried by unanimous vote.

Mr. Wells stated there is a large water leak from an old tank on property owned by the developer or the Lakes of Savannah South Community Association adjacent to the District's property. Ms. Campbell stated that EDP will investigate the leak.

#### ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING ADDITIONAL CHECKS

Ms. Buckner presented two additional checks for approval, including check no. 1346 for Pay Estimate No. 2 in the amount of \$68,580.00, payable to Gemini and check no. 1347 for Pay Estimate No. 12, payable to Wigen. The Board then discussed check no. 6930 in the amount of \$26,337.01. After discussion, Director Jones moved to (1) approve check no. 1346 in the amount of \$68,580.00, payable to Gemini and check no. 1347 in the amount of \$2,110.50 payable to Wigen; and (2) direct the bookkeeper to hold check no. 6930 in the amount of \$26,337.01. 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 AND AUTHORIZE  
ADVERTISEMENT FOR BIDS FOR THE EMERGENCY GENERATOR FOR THE  
REVERSE OSMOSIS SYSTEM

Mr. Ehler stated LJA is requesting approval of plans and specifications and authorization to advertise for bids for the emergency generator for the reverse osmosis system.

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

Mr. Ehler stated that LJA has begun the preparation of the plans and specifications for the next WWTP expansion and plans to submit to all agencies soon.

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

Mr. Ehler stated LJA received 4 bids for the drainage improvements at the water plant site. Mr. Ehler reported that Aranda Industries, LLC ("Aranda") submitted the lowest bid in the amount of \$59,952.00. Mr. Ehler recommended that the Board award the contract to Aranda in the amount of \$59,952.00. The Board concurred that, in its judgment, Aranda was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project

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

Mr. Ehler stated the contractor for this project is Wigen Water Technologies (WWT). He reviewed and recommended that the Board approve Pay Estimate No. 12 in the amount of \$2,110.50, payable to WWT.

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 this project is Gemini Contracting Services, Inc. He reviewed and recommended that the Board approve Pay Estimate No. 2 in the amount of \$68,580.00, payable to Gemini.

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

Mr. Ehler stated the contractor for the WWTP expansion project is T&C Construction, LTD ("T&C"). He stated the timeline for the project has been delayed due to inclement weather conditions.

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. ("Jerdon"), is the contractor for the repair of the detention pond erosion at Lake 2. Mr. Ehler stated the final inspection was held on March 13, 2019 and punch list items are being addressed.

DRAINAGE REPAIRS AT SAVANNAH PARKWAY AND HIGHWAY 6

Mr. Ehler updated the Board on the status of the drainage repairs at Savannah Parkway and Highway 6. He stated the project is complete.

INDUSTRIAL WASTEWATER DISCHARGE PERMIT ASSOCIATED WITH WATER PLANT

Mr. Ehler stated the Industrial Wastewater Discharge Application (Application") prepared by NorrisLeal will be ready for submittal to the Texas Commission on Environmental Quality in the next few weeks. He requested authorization for the Board to execute the Application.

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. Ehler 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 submitted updated plans to LJA for review.

Mr. Ehler stated that LJA received a request from Odyssey Engineering Group, LLC on behalf of the Charleston Municipal Utility District for 123,000 gallons per day of potable water. He stated the District's water supply facilities do not have the requested capacity available and requested approval to respond accordingly.

#### CAPITAL IMPROVEMENT PLAN

Mr. Ehler 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 plans and specifications and authorize advertisement for bids for the emergency generator for the reverse osmosis system; (3) award a contract for the drainage improvements at the water plant site to Aranda Industries, LLC in the amount of \$59,952.00, subject to the approval of the payment and performance bonds and review of the certificate of insurance and endorsements provided by the contractor; (4) approve Pay Estimate No. 12 in the amount of \$2,110.50 payable to WWT; (5) approve Pay Estimate No. 2 in the amount of \$68,580.00 payable to Gemini; (6) authorize execution of the Industrial Wastewater Discharge Permit Application; and (7) authorize LJA to deny the water supply capacity request from Charleston Municipal Utility District. 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 February, a copy of which is attached. She said that the ratio of water billed versus water produced for February was 93.6%.

Ms. Campbell reported on water quality monitoring tests.

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 and utility services have remained disconnected.

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

REVIEW DROUGHT CONTINGENCY PLAN AND ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Ms. Carner stated that the TCEQ rules require that the District review and adopt a new Drought Contingency Plan ("Plan") in 2019, prior to May 1st. She stated that she will present the revised Plan to the Board next month for their consideration.

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

Ms. Carner discussed the current status of negotiations with the City regarding the annual update to the monthly per connection charges pursuant to the Fire/EMS Protection Agreement. Discussion ensued.

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

The Board convened in Executive Session at 2:21 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 2:57 p.m. The Board took no action.

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

(SEAL)



  
Secretary, Board of Directors

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