

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

August 3, 2020

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 3rd day of August, 2020, at 6:00 p.m., in the meeting room of the District, 4004 6th Street, Brookshire, Texas and via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas (the "Governor") in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic ("COVID-19") poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas; whereupon the roll was called of the members of the Board, to-wit:

Edith Penrice-Kelley	President
Albert Wilkins	Vice President
Stephanie Green	Investment Officer
Havanaugh Glover	Secretary
Victor Alardin	Assistant Secretary

All members of the Board were present, except for Director Wilkins, and with Directors Penrice-Kelley, Green, and Glover attending via telephone conference call, thus constituting a quorum. Also attending was Tonya Pierre ("General Manager"); Linda Guevara, employee of the District; and all persons on the attached Attendance Roster. Also attending via telephone conference call were: Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"); James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Elliot M. Barner and Monica Garza, attorneys, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP").

The meeting was audio recorded by RBAP in compliance with requirements of the Texas Open Meetings Act.

The President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order at 6:08 p.m. and declared it open for such business as may regularly come before it.

1. **Public Comment.**

The President first opened the meeting to public comment. Mr. David Wood introduced himself to the Board and stated that he would like to discuss the Capacity Report prepared for the apartment complex that he is developing, but will reserve his comments until such item is discussed according to the order of agenda items. There being no further public comments, the President directed the Board to proceed with the agenda.

2. Approve Minutes of Prior Meetings.

The Board then considered approval of the minutes from the special meetings of June 25, 2020 and June 30, 2020, and the regular meeting of July 6, 2020. Upon a **motion** by Director Alardin, seconded by Director Glover, after full discussion and with all Directors voting aye, the Board approved the minutes from the special meetings of June 25, 2020 and June 30, 2020, and the regular meeting of July 6, 2020.

3. Bookkeeper's Report.

Mr. Haskins then presented the Bookkeeper's Report, a copy of which is available upon request.

Next, Mr. Haskins reported that to date, the District is over budget for the year primarily due to maintenance and repair expenses.

Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and all Directors present voting aye, the Board approved the Bookkeeper's Report.

4. Texas Water Development Board ("TWDB") Projects.

Mr. Weishuhn next updated the Board on the water line replacement project that will replace asbestos clay water lines along Texas Farm-to-Market ("FM") 1489 and in a residential area north of U.S. Highway 90 and east of FM 362 (Project Information Form No. 62829) (the "Water Line Project"). Mr. Weishuhn next reported that the TWDB approved Weishuhn's drawings for such project on the condition that the District secure the necessary permit from the City of Brookshire (the "City"). Mr. Weishuhn explained that following acceptance of bids and selection of a construction contractor, such contractor will obtain the appropriate permit from the City. Mr. Weishuhn reported that he expects to advertise such project on August 26, 2020 and September 2, 2020, and to present bids for the Board's approval at its October 2, 2020 meeting.

Upon a **motion** by Director Alardin, seconded by Director Penrice-Kelley, after full discussion and three (3) Directors present voting aye, and Director Green abstaining, the Board authorized Weishuhn to advertise for bids for the Water Line Project.

5. Engineer's Report.

Dr. Clay presented the Engineer's Report, a copy of which is available upon request.

Regarding the Brookwood Project, Dr. Clay requested the Board's authorization to obtain bids for construction of the 11th Street sanitary sewer force main. Upon a **motion** by Director Alardin, seconded by Director Glover, after full discussion and with all Directors present voting aye, the Board authorized Dr. Clay to solicit bids for such project.

Next, Dr. Clay presented a Capacity Report for a proposed two (2)-story 4,352 square-foot building consisting of four (4) apartment rental units to be constructed at 4315 Sixth Street. Dr. Clay then reported that, based on the information submitted by Mr. Wood, he has calculated the capital recovery fee for such project to be \$12,568.00. Dr. Clay further reported that the City

may require the installation of an additional fire hydrant on the property, in which case Mr. Wood's design plans will need to be revised to include such fire hydrant. Dr. Clay stated that based on the information submitted by Mr. Wood, a backflow prevention device is not required. Discussion then ensued regarding whether such development was residential or commercial, and the differing requirements of each type of development. Dr. Clay then reported that such development will require one (1) meter per unit, for a total of four (4) meters. Upon a **motion** by Director Green, seconded by Director Penrice-Kelley, after full discussion and all Directors present voting aye, the Board approved the Capacity Report for the proposed apartment building as presented by Dr. Clay.

Mr. Wood then confirmed that he is aware that if a change in the use of such property occurs in the future, he will be required to re-submit an application for the Board's approval. Discussion then ensued regarding the size of the sanitary sewer line included in the design plans submitted by Mr. Wood and the timeframe for approval of any re-submitted plans.

Dr. Clay updated the Board regarding the proposed 27,000 square-foot sports complex to be constructed at the Brooke Hotel (the "Complex"). Dr. Clay reported that the City is requiring installation of an additional fire hydrant in the parking lot of the Complex. Dr. Clay further reported that he requested that the developer of such project submit revised plans that include such hydrant.

Dr. Clay next discussed a development inquiry received for a proposed 90-unit apartment building to be constructed on U.S. Highway 90 by Russo Development.

Dr. Clay then discussed a development inquiry received for a proposed RV Park to be developed at Gassner Road and Kellner Road.

Next, Dr. Clay then discussed a development inquiry received for a proposed apartment building to be constructed north of Gassner Road.

In response to a question by Director Glover regarding new residential development within the District, Dr. Clay explained that new residential development within the District is required to have a sanitary sewer line that connects directly to the District's main line rather than connecting with a line on an adjacent property before being connected to the District's main line. Ms. Garza stated that she will review the District's Rate Order regarding such connections.

6. Update on Review of Policies and Procedures for Development within the District.

Ms. Garza recommended that the Board consider scheduling a special meeting to discuss the proposed revisions to the District's policies and procedures for development within the District (the "Development Packet"). Director Penrice-Kelley requested that such topic be included on the agenda for one of the Board's upcoming budget workshop meetings.

7. Review Matters Involving Administration/Personnel, Including Status of Payment to Employees During COVID-19.

Ms. Garza next reminded the Board that it previously authorized additional compensation of \$1.00 per hour to the District's employees beginning on March 17, 2020, and continuing until July 1, 2020. Ms. Garza further reminded the Board that it agreed to review authorization of such

additional compensation every 30 days. Upon a **motion** by Director Green, seconded by Director Glover, after full discussion and all Directors present voting aye, the Board authorized continued payment of additional compensation of \$1.00 per hour to the District's employees for the next 30 days due to COVID-19.

8. Approval of Training, Conferences, or Committee Meetings.

Ms. Guevara reported that the San Antonio Association for Financial Professional's TEXPO 2020 Conference will be held virtually on September 2-4, 2020. Upon a **motion** by Director Green, seconded by Director Glover, after full discussion and with all Directors present voting aye, the Board authorized Director attendance at such conference.

9. Attorney's Report.

In response to a question by Director Glover regarding the issuance of plumbing permits and when the District ceased issuing such permits, Mr. Barner stated that he recalled a discussion several years ago where he made a statement regarding the fact that water districts generally do not issue permits, but would have to research the matter further. Mrs. Pierre stated that the Operator has recommended that all connections to the District's sewer lines be inspected upon installation and requested that such requirement be added to the District's Rate Order. Director Penrice-Kelley stated that if such connections are buried prior to inspection, then such connections must be uncovered to allow for inspection, otherwise the District will terminate service until such inspection is performed.

Mr. Barner and Ms. Garza explained that the District's Rate Order currently includes a requirement that all connections to the District's water and sewer lines be inspected upon installation and that the District simply needs to enforce such provisions. Mr. Barner stated that the District should always perform inspections to its water and sewer lines prior to providing service. Mr. Barner added that it was his understanding that recent issues related to inspection of such lines were the result of the property owner simply not following the District's rules and regulations. Mr. Barner went on to state that unfortunately, such issues are not uncommon in water district and that the solution is to not provide service until the District is able to inspect such lines. Mrs. Pierre clarified that the District does perform the inspections of connections, but that sometimes property owners believe that after the City has performed its inspections that they don't need to have the District's inspection for such connections. Further discussion then ensued regarding inspections performed by Bureau Veritas on behalf of the City. Director Penrice-Kelley requested that further discussion regarding inspections of connections to the District's sewer lines be tabled until the Board's upcoming workshop meeting.

10. Operator's Report.

The Operator's Report was then presented by Mr. Taylor, a copy of which is available upon request.

Mr. Taylor reported that a water line main break occurred this morning. Mr. Taylor further reported that such line was repaired and that "Boil Water Notices" were distributed to affected customers.

Mr. Taylor next discussed additional maintenance and repair expenses related to the Texas Commission on Environmental Quality's sanitary sewer overflow initiative ("SSO") program. Mr. Taylor stated that he will provide a list of such items to Mrs. Pierre and the Bookkeeper for inclusion in the District's SSO budget for the fiscal year ending ("FYE") August 31, 2021.

Mr. Taylor then reminded the Board that four (4) fire hydrants located within the District are in need of repair. Mr. Taylor stated that Mrs. Pierre has thus far been unable to obtain quotes from third-party contractors for such repairs. In response to a question by Director Alardin regarding the quote provided to the District by MOC for fire hydrant repairs, Mr. Taylor stated that such quote did not include the installation of isolation valves. Director Alardin requested that MOC provide an updated quote for the Board to review. Mr. Taylor then explained that any companies from whom Mrs. Pierre requested quotes from, are unlikely to have the capability to install isolation valves on the District's hydrants and will have to hire subcontractors for such installation, which will prevent their quotes from being competitive.

11. Executive Session.

Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the President called the Executive Session to order at 7:52 p.m. to discuss matters regarding attorney-client privilege regarding the District's agreement for services with Consolidated Communications. Present for the executive session were the Board of Directors, except for Director Wilkins; Mrs. Tonya Pierre, General Manager of the District; and Elliot M. Barner and Monica Garza of Radcliffe Bobbitt Adams Polley PLLC, attorneys for the District.

The President declared the Executive Session was ended at 8:14 p.m.

Discussion then ensued regarding scheduling a special meeting to discuss the District's budget for the FYE August 31, 2021 and the District's Development Packet. It was the consensus of the Board to schedule such meeting for August 13, 2020, at 5:00 p.m.

12. Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 8:17 pm.

PASSED AND APPROVED on this 8 day of SEPTEMBER, 2020.



Secretary, Board of Directors