

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

September 8, 2020

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 8th day of September, 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 Directors Wilkins and Green, and with Directors Kelley and Glover attending via telephone conference call, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); 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"); Monica A. Garza, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and Jeff Hargrove of Four Seasons Development Company.

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 6:02 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. There being no 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 regular meeting of August 3, 2020. Upon a **motion** by Director Glover, seconded by Director Alardin, after full discussion and

with all Directors present voting aye, the Board approved the minutes from the regular meeting of August 3, 2020.

3. Review Board of Directors Reimbursement Process and Procedures.

Director Glover explained that the Board had question regarding certain reimbursements to the Directors for District-related expenditures, and as such, Mr. Haskins requested that the Board discuss the District's policy for such reimbursements. Director Glover stated his opinion that Directors should have the option to receive fees of office and/or reimbursement expenses via direct deposit if a Director so chooses. Mr. Haskins stated that it was his understanding that the District's policy provided for Directors to be paid by direct deposit for fees of office relating to attendance at regular monthly Board meetings, and that all other fees of offices and expenses were to be paid to the Directors by hand written check. Discussion then ensued regarding the District's policy for payment of Directors' fees of office. Mr. Haskins recommended that for the sake of efficiency, Directors should have the option to be paid by direct deposit for all fees of office and District-related expenses.

Next, discussion ensued regarding the process of Directors receiving funds for meal-related expenses pursuant to the District's Ethics Policy. Director Glover suggested that Directors receive the maximum amount allotted pursuant to the Ethics Policy (\$75) prior to attending approved conferences rather than submitting receipts for reimbursement after attending approved conferences. Director Glover further stated that after submitting receipts for the actual expenses incurred, if a Director did not spend the full \$75, then such Director will reimburse the District for any unused funds.

Mrs. Pierre explained that pursuant to the District's Ethics Policy, Directors are entitled to receive reimbursement from the District of up to \$75 per day for meals and incidental expenses incurred while attending a conference on behalf of the District; however, such reimbursements are currently paid to the Directors after such expenses are incurred and appropriate receipts are submitted. Director Glover stated that under the District's current procedures, Directors often do not receive the funds for such reimbursement for over one (1) month after such expenses are incurred. Director Alardin stated that he believed the current process does not need to be changed.

Upon a **motion** by Director Penrice-Kelley, seconded by Director Glover, after full discussion and all Directors present voting aye, the Board authorized the Bookkeeper, if requested by a Director, to pay all Directors' fees of office by direct deposit.

4. Bookkeeper's Report.

Mr. Haskins then presented the Bookkeeper's Report, a copy of which is available upon request. Mr. Haskins explained that the District's current fiscal year began on September 1, 2020.

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

5. 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 explained that Weishuhn is in the process of advertising for the receipt of bids for such project. Mr. Weishuhn reported that a pre-bid conference will be held on September 16, 2020, and that all bids are due by October 2, 2020. Mr. Weishuhn reported that he expects to present bids for the Board's approval at its October 5, 2020 meeting.

Mr. Weishuhn next explained that an addendum was issued for the Water Line Project, as certain dates related to the timeline of such project had to be revised based on the date that the TWDB approved Weishuhn's plans for such project. Mr. Weishuhn further explained that based upon comments received from the TWDB regarding such plans, an additional railroad crossing had to be identified on the plans.

6. Engineer's Report.

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

Dr. Clay presented a revised Capacity Report for a proposed 4,352 square-foot building consisting of four (4) apartment rental units to be constructed at 4315 Sixth Street. Dr. Clay reminded the Board that at the August 6, 2020 meeting, it approved the Capacity Report originally prepared for such project to be constructed as a two (2)-story fourplex development; however, Mr. David Wood, the developer of such project, subsequently revised his plans so that that the development will consist of two (2) single-story duplexes. In response to a question from Director Alardin, Dr. Clay explained that the capital recovery fee for such project did not change as a result of the change in design. Mr. Woods then explained to the Board that the plans for such project were revised in order to avoid additional permit costs from the City of Brookshire (the "City") that are required for a two (2)-story development. Upon a **motion** by Director Glover, seconded by Director Penrice-Kelley, after full discussion and all Directors present voting aye, the Board approved the revised Capacity Report for the proposed apartment building as presented by Dr. Clay.

Dr. Clay then updated the Board regarding the proposed 27,000 square-foot Arise Sports Complex to be constructed at the Brooke Hotel (the "Complex"). Dr. Clay reminded the Board that the City is requiring installation of an additional fire hydrant in the parking lot of the Complex. Dr. Clay further reminded the Board that it approved the Capacity Report for the Complex at its June 1, 2020 meeting, subject to receipt of revisions to the drawings for the Complex. Dr. Clay reported that shortly before today's meeting, he received revised plans from the developer of such project, which include the additional fire hydrant. In response to a question by Director Glover regarding connecting the sewer tap for the Complex to the Brooke Hotel's existing sewer line, Dr. Clay explained that pursuant to the District's Rate Order, because both the Complex and the Brooke Hotel are owned by the same individual, such owner is permitted to connect to the existing sewer line. Director Glover requested that such matter be addressed in the revisions to the policies and procedures relating to new development within the District.

Next, Dr. Clay presented a Capacity Report for a proposed single-story office-warehouse to be constructed by Four Seasons Development Company at 3701 Tenth Street. Dr. Clay reported that the plans for such project indicate that an office building will be constructed as an extension of an existing manufacturing warehouse located on such property. Dr. Clay explained that such development includes a single water meter and sewer line serving both the office and warehouse. In response to a question from Mrs. Pierre regarding whether the District's Rate Order requires that all new buildings constructed within the District have a separate meter, Ms. Garza explained that pursuant to the District's Rate Order, strip-shopping centers within the District are required to have one (1) meter per unit, but that a similar requirement was not established for other types of commercial development. Mr. Hargrove then stated that the developer for such project is amenable to installing a separate meter for the office building and requested that the Board approve the Capacity Report subject to receipt of revised drawings for such project. Discussion ensued regarding the number of buildings located on such property and the total number of meters required for such property. Upon a **motion** by Director Alardin to approve the Capacity Report as presented, subject to agreement by Mr. Hargrove to install a separate meter for the office building, seconded by Director Penrice-Kelley, after full discussion and with two (2) Directors present voting aye, and Director Glover abstaining, the motion failed for lack of a majority. It was the consensus of the Board to include an item on the agenda for the September 21, 2020 meeting regarding approval of the Capacity Report for the office-warehouse building.

Dr. Clay then updated the Board regarding the Alley Force Main Project. Dr. Clay explained that he believes that an existing force main, which was installed several years ago, is not being used by the District. Dr. Clay further explained that utilizing such force main could alleviate the bottleneck that is forming along FM 359. Mr. Taylor reported that he is preparing a report regarding the practicability of utilizing such force main and will provide such report to Dr. Clay and Mrs. Pierre tomorrow.

Dr. Clay next reported that plans were received for a proposed O'Reilly's Auto Parts store to be constructed within the District.

7. Operator's Report.

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

Mr. Taylor then reminded the Board that four (4) fire hydrants located within the District are in need of repair. Mr. Taylor next reported that he obtained quotes for the necessary repairs to each hydrant and provided such quotes to Mrs. Pierre for review. Mr. Taylor then reported that a major repair was made to a fire hydrant located at Highway 90 and Gassner Road prior to the recent landfall of Hurricane Laura, which required the use of an excavator. Mr. Taylor further reported that he does not yet have the total cost related to such repair. Mrs. Pierre then reported that she was not able to obtain any additional quotes for the fire hydrant repairs.

In response to a question by Director Alardin regarding eligible maintenance and repair expenses under by the Texas Commission on Environmental Quality's sanitary sewer overflow initiative program, Mr. Taylor stated that mapping of the District's sewer system and televising of the same qualify as expenses that can be paid from such funds.

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

8. Discuss Texas Municipal League Intergovernmental Risk Pool (the "TMLIRP") Board of Trustees Election.

Discussion next ensued regarding whether to cast an official ballot in the TMLIRP Board of Trustees Election. Mrs. Pierre explained that the Board may designate one (1) Director to cast a ballot on behalf of the District in such election. Upon a **motion** by Director Penrice-Kelley, seconded by Director Glover, after full discussion and with all Directors present voting aye, the Board authorized Director Alardin to serve as the District's representative for purposes of casting a ballot in the TMLIRP Board of Trustees Election.

9. 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 full-time employees beginning on March 17, 2020, and continuing until July 1, 2020. Mrs. Pierre further reminded the Board that it agreed to review authorization of such additional compensation every 30 days. Upon a **motion** by Director Alardin, 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 full-time employees for the next 30 days due to COVID-19.

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

Discussion then ensued regarding the Directors' attendance at the Association of Water Board Directors' 2021 Mid-Winter Conference, which is scheduled to be held in Austin, Texas, from Friday, January 29, 2021, through Saturday, January 30, 2021. It was the consensus of the Board to table action regarding Director attendance at such conference until the October 19, 2020 Board meeting.

11. Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 7:50 pm.

PASSED AND APPROVED on this 5 day of October, 2020.


Secretary, Board of Directors