

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

January 10, 2022

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 10th day of January, 2022, at 6:00 p.m., in the meeting room of the District, 4004 6th Street, Brookshire, Texas, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code, whereupon the roll was called of the members of the Board, to-wit:

Stephanie Green	President
LaKethia Connor	Vice President
Shirley Williams	Secretary
Havanaugh Glover	Assistant Secretary
Michael Whitaker, Jr.	Investment Officer

All members of the Board were present, except Director Glover, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); Linda Guevara, employee of the District; John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Daniel Hernandez and Elizabeth Camacho of Texas Pride Utilities, LLC ("Texas Pride"); and all persons on the attached attendance roster.

The President, after finding that 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 6:06 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 December 6, 2021. Upon a **motion** by Director Williams, seconded by Director Whitaker, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of December 6, 2021, as presented.

3. Bookkeeper's Report.

Mr. Haskins then presented the Bookkeeper's Report, a copy of which is available upon request. Mr. Haskins reviewed the District's budget for Fiscal Year Ending ("FYE") August 31, 2022 and the year to-date expenses incurred by the District.

Mr. Haskins then reviewed with the Board the Quarterly Investment Report for the first (1st) quarter of FYE August 31, 2022.

Next, Mr. Haskins reviewed a letter to the District from the Texas Water Development Board (the "TWDB") regarding the District's compliance with certain TWDB requirements relating to the District's Series 2019A and 2019B bonds that were purchased by the TWDB. Mr. Haskins explained that after reviewing such letter with Mr. Barner and the District's Financial Advisor, he responded to the TWDB's letter to inform them the District is establishing separate Interest and Sinking Fund accounts for such bonds for the purpose of paying the principal and interest on such bonds in order to fully comply with the TWDB's requirements.

Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved: 1) the Bookkeeper's Report, as presented; 2) the Quarterly Investment Report; and 3) establishment of new debt service accounts for the Series 2019A and 2019B bonds.

Mr. Haskins then reported that the District's water and wastewater revenues decreased within the past month.

4. 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 reported that certain valves and connections from the new water lines to existing customers' lines were installed in December.

Mr. Weishuhn then reported that Weishuhn is trying to reduce the pressure in certain lines because there appears to be certain lines that are not on any of the District's maps that are connected to such lines and Weishuhn is concerned that when the original water lines are abandoned, connections to the old water lines that the District is unaware of might be without water. Mr. Weishuhn explained that the District cannot abandon certain old water lines because such lines continue to receive pressure, which indicates that customers remain connected to such lines.

In response to a question from Director Whitaker regarding the status of the Texas Department of Transportation's ("TxDOT") project, Mr. Weishuhn reported that the water line located underneath the TxDOT project site was relocated and is connected to the District's water system.

Mr. Weishuhn next reported that work relating to the Water Line Project continues on 11th Street, Depot Street and Stella Road. Mr. Weishuhn further reported that approximately

130 days remain in the District's contract for the Water Line Project and added that such project is 75% complete.

Mrs. Pierre then reported that Texas Pride reimbursed the District for the costs incurred to repair damage to the District's water lines caused by Texas Pride.

In response to a question from Director Green regarding the warranty on the Water Line Project, Mr. Weishuhn explained that such project includes a one (1) year warranty. Mr. Weishuhn further explained that upon completion of such project, the District's water lines will be tested to ensure that such lines maintain water pressure of 135 pounds per square inch ("psi") for eight (8) hours. Mr. Weishuhn noted that currently, the District's lines are not able to achieve pressure above 50 psi. Mr. Weishuhn stated that he will recommend the Board's final acceptance of such project based upon the pressure testing of the new water lines.

5. Update on Matters Related to Compliance with the Sanitary Sewer Overflow Initiative Program.

Mr. Taylor then discussed the status of smoke testing the District's sanitary sewer lines. Mr. Taylor reported that he is reviewing the reports provided electronically by Magna Flow Environmental ("Magna Flow") related to such smoke testing. Director Green expressed her frustration regarding the format of such reports and requested that hard copies of such reports be provided to the Board for review.

Director Green then reminded the Board that the Brookshire Economic Development Corporation ("EDC") indicated to her that they may fund the cost to repair deficiencies in sanitary sewer lines of commercial properties. Director Green reported that the EDC's Board of Directors is scheduled to meet tomorrow night to discuss such matter.

6. Engineer's Report.

Mrs. Pierre presented the Engineer's Report.

Mrs. Pierre next updated the Board regarding the status of the Brookwood Community Project and reminded the Board that such project consists of two (2) separate construction contracts: 1) a contract for construction of the force main and the pipe bursting work, and 2) a contract for the lift station improvements. Mrs. Pierre reported that T Construction, LLC ("T Construction") is underway with the force main and the pipe bursting work. Mrs. Pierre then presented T Construction's Change Order No. 1 in the amount of \$16,499.12, which includes increased cost related to the cost of piping materials, which was previously approved by the Board. Mrs. Pierre further reported that Tidal Construction, LLC executed the contract for the lift station improvement work.

Mrs. Pierre then presented a Capacity Report prepared by the District's Engineer for the proposed 2.8841-acre townhome development to be located on Stella Road, known as the Brookvista Townhomes. Mrs. Pierre explained that the application submitted by the developer proposes that the streets contained within such development will be privately owned, with the District's water and sewer lines installed beneath such streets. Mrs. Pierre then reported that the District's Engineer recommends that the District serve such development through a master meter

and that the water and sewer lines located within such development be owned and maintained by the developer. Mr. Barner stated that RBAP will prepare an agreement between the District and developer regarding ownership of such lines. Upon a **motion** by Director Whitaker, seconded Director Connor, after full discussion and with all Directors present voting aye, the Board: 1) approved the Capacity Report for the Brookvista Townhomes; and 2) authorized RBAP to prepare an agreement regarding ownership and maintenance of the water lines and sewer lines necessary to service such townhomes.

Mrs. Pierre next presented a Capacity Report prepared by the District's Engineer for the proposed 10.342-acre townhome development to be located at Stella Road and FM 362, known as the Brookview Townhomes. Mrs. Pierre reminded the Board that such development is located outside the boundaries of the District; therefore, such tract will need to be annexed into the District prior to receiving service. Mrs. Pierre explained that the application submitted by the developer proposes that the streets contained within such development will be privately owned, with the District's water and sewer lines installed beneath such streets. Mrs. Pierre then reported that the District's Engineer recommends that the District serve such development through a master meter and that the water and sewer lines located within such development be owned and maintained by the developer. Mr. Barner stated that RBAP will prepare an agreement between the District and developer regarding ownership of such lines. Mr. Barner further stated that RBAP is preparing the documents necessary for annexation of the land on which the Brookview Townhomes will be located. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved: 1) the Capacity Report for the Brookview Townhomes; and 2) authorized RBAP to prepare an agreement regarding ownership of the water and sewer lines.

Mrs. Pierre then presented a Capacity Report prepared by the District's Engineer for the proposed 173-acre residential development of Riverwood Farms. Mrs. Pierre reported that the developer's application is for 500 homes; however, the capacity in the District's wastewater treatment plant ("WWTP") is sufficient to accommodate only 150 homes within such development. Mrs. Pierre further reported that a new WWTP would need to be constructed in order to serve the remaining development. Mrs. Pierre went on to report that the developer will owe an impact fee of \$630,000.00 for service to 150 homes. A brief discussion ensued. Mr. Barner then requested that the Board allow him time to review such Capacity Report and provide comments to the District's Engineer in order to clarify certain comments contained in such report regarding a separate municipal utility district ("MUD") being established within the District and the designation of defined areas. It was the consensus of the Board to table further discussion regarding such Capacity Report until the next regular Board meeting.

7. Update on Status of Conversion to a MUD ("Conversion").

Mr. Barner then reported on the status of the Conversion and reminded the Board that it will hold a public hearing regarding such Conversion on January 18th. Mr. Barner further reported that a notice of such hearing was published in a newspaper of general circulation within the District on December 29th and January 5th. In response to a question from Director Green, Mr. Barner stated that a letter regarding the Conversion was sent to the City Secretary on behalf of the District. Director Green requested that such letter also be provided to the attorney for the City of Brookshire (the "City").

8. Operator's Report.

Mr. Taylor then presented the Operator's Report, a copy of which is available upon request. Mr. Taylor reported that a total of 20,821,000 gallons of water was pumped from the District's wells from October 16, 2021 through November 15, 2021.

Mr. Taylor next reported that the WWTP operated at 48% capacity during the month of November. Mr. Taylor further reported that 14,004,800 gallons of influent was treated at the WWTP during the previous month. Mr. Taylor went on to report that last month, the District's average daily flow was 466,827 gallons per day ("gpd") and the peak daily flow was 1,071,600 gpd.

Mr. Taylor then reported on the status of road repairs within the District. In response to a question from Director Green, Mr. Taylor explained that MOC has repeatedly provided contact information to the City so that the City can notify MOC in the event that the City identifies construction barrels or other barriers used by MOC at the site of street repairs that have fallen into the street. A discussion then ensued regarding complaints made by the City regarding such barrels and barriers blocking traffic. Further discussion next ensued regarding requests for MOC to repair landscaping following excavation during street repairs, which must first be evaluated and approved by the Board.

Next, Mr. Taylor presented two (2) quotes to test the accuracy of the District's commercial flow meters. Mr. Taylor reported that Southern Flowmeter, Inc. provided the lowest quote in the amount of \$17,380.000. Extensive discussion then ensued regarding the cost of testing such meters and the likelihood that such testing will resolve the problem related to flow. Director Whitaker stated that a certain property owner excavated his flow meter.

Mr. Taylor then presented two (2) quotes from MOC for the repair of certain District fire hydrants. A discussion next ensued regarding installing isolation valves on certain District water lines in order to avoid having to cut off water to the entire City when performing fire hydrant repairs. Mr. Taylor stated that he will research such matter and provide the Board with more information regarding the extent of service disruptions during such repairs.

Mr. Taylor then reiterated that while certain water lines are being replaced as part of the Water Line Project, the District cannot yet abandon the water line running along FM 1488 because it continues to receive pressure, which indicates that customers are still connected to such line.

Mr. Taylor then reported that the cost of materials has increased in the last several months and presented a proposed amendment to the District's service agreement with MOC. Mr. Taylor explained that such amendment includes rate increases for labor and the use of MOC's vehicles when performing work on behalf of the District. In response to a question from Director Green regarding administrative costs, particularly charges related to answering questions about MOC's bill for services, Mr. Taylor clarified that the telephone calls included in such administrative costs do not relate to answering billing questions. Mr. Taylor further clarified that such telephone calls relate to various other matters and should be re-coded in MOC's bills.

Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and all Directors present voting aye, the Board approved: 1) the Operator's Report, as presented;

and 2) an amendment to the District's Profession Services Agreement with MOC reflecting a four-percent (4%) increase in MOC's fees.

Mrs. Pierre then reported that the fire hydrant on Robin Street was repaired, but the water pressure supplied by such hydrant is insufficient. Mrs. Pierre further reported that a black bag was placed over such hydrant to indicate that it should not be used by the fire department during an emergency. Discussion then ensued regarding identifying the cause of such low pressure. Mrs. Pierre stated that the customers whose homes are located near such hydrant have not reported experiencing low pressure. Mrs. Pierre further stated that she is going to have the pressure in such hydrant re-tested.

9. Discuss Emergency Preparedness Procedures.

Mr. Taylor then reported that pursuant to Senate Bill 3, all water districts in Texas are required to submit an Emergency Preparedness Plan ("EPP") to the Texas Commission on Environmental Quality (the "TCEQ") by March 1, 2022. Mr. Taylor reported that MOC is preparing such EPP on behalf of the District. Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and all Directors present voting aye, the Board authorized MOC to file the EPP with the TCEQ upon completion.

10. Authorize Advertising for Requests for Proposals for a Grant Writer.

Next, discussion ensued regarding hiring a grant writer to prepare a request for available funds from the State. Mr. Barner reminded the Board that RBAP previously prepared an advertisement on behalf of the District seeking proposals from grant writers qualified to assist the District in obtaining such funds. In response to a question from Mrs. Pierre, Mr. Barner clarified that the District is not required to publish an advertisement seeking proposals from grant writers. Director Green stated that she will reach out to individuals directly to obtain proposals.

11. Review Matters Involving Administration/Personnel.

Mrs. Pierre reported that she is proceeding with increasing Ms. Guevara's hourly compensation rate to \$21.00 per hour. In response to a question from Director Whitaker regarding a new temporary employee working in the District's office, Director Green requested that Mrs. Pierre introduce all new employees to the Directors.

12. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 7:58 p.m.

PASSED, APPROVED and ADOPTED this the 7 day of FEBRUARY, 2022.

Shirley Williams
Secretary, Board of Directors

(DISTRICT SEAL)

