

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

March 6, 2023

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 6th day of March, 2023, 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
Erin Jackson	Secretary
Shirley Williams	Investment Officer
<i>Vacant</i>	Director

All members of the Board were present, thus constituting a quorum. Attending in person were Tonya Pierre ("General Manager"); John Taylor and Chris Sanchez of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); Dr. Herman Clay, PhD of Clay & Leyendecker, Inc. ("Engineer"); James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Michael Foley of Riverway Properties ("Riverway"); Vinod Kikani of Twin Lakes, LLC; Himanshu Makwana of Alliance Project Development; and Dave Naqvi of Aliana Corporation.

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 6:03 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 Meeting.

The Board then considered approval of the minutes from the regular meeting of February 6, 2023. Upon a **motion** by Director Jackson, seconded by Director Williams, after full discussion and with three (3) Directors present voting aye and Director Green abstaining, the Board approved the minutes from the regular meeting of February 6, 2023, 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 the Fiscal Year Ending August 31, 2023 and the year to-date expenses incurred by the District.

Upon a **motion** by Director Williams, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report, as presented.

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

Regarding 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 ("Highway 90") and east of FM 362 (Project Information Form No. 62829) (the "Water Line Project"), Mr. Weishuhn reported that the Water Line Project remains approximately 89% complete.

Mr. Weishuhn reported that Texas Pride Utilities, LLC ("Texas Pride") was able to make six (6) connections of the new water lines to the District's water distribution system in the northeast area of the District. Mr. Weishuhn further reported that Texas Pride was able to disconnect one (1) of the old asbestos clay lines on First Street. Mr. Weishuhn went on to report that during the time such work was being performed, two (2) customers experienced a disruption in service for unknown reasons. Mr. Weishuhn then stated that Texas Pride commenced with asphalt replacement in the northeast area of the District where they completed the water line replacements.

Mr. Weishuhn next reminded the Board that Texas Pride has not yet been able to connect certain water lines on Cooper Street and Kenney Street to the District's water distribution system because they have been unable to isolate the old lines. Mr. Weishuhn then identified four (4) locations at which valves may be buried in such area and explained that locating hidden valves may allow the old lines to be disconnected. Mr. Weishuhn reported that Weishuhn asked Texas Pride to attempt to locate such valves through an excavation process called potholing; however, Texas Pride declined to perform such work, stating that they do not believe it will successfully uncover any valves. Mr. Weishuhn then reported that Texas Pride submitted a request for a change order in the amount of \$27,000.00 for the installation of line breaks to isolate the old lines so that the new lines can be connected to the District's water distribution system. Mr. Weishuhn cautioned that installing line breaks will not isolate the old lines if Texas Pride misses the source of the incoming water to such lines. Mr. Weishuhn explained that there are no available funds to reallocate within the Water Line Project contract to cover the cost of such proposed change order. Mr. Weishuhn suggested that the District hire a separate contractor to perform the potholing work, which will be an additional cost to the District separate from the Water Line Project contract amount. Mr. Weishuhn then requested authorization from the Board for Weishuhn and the District's General Manger to hire a contractor to perform the potholing as the final attempt to locate the hidden valves.

Mr. Weishuhn then reported that a six-inch (6") water line was located on the south side of Depot Street that is not documented on the District's maps. Mr. Weishuhn further reported that such line will be included on the as-built drawings for the Water Line Project.

Mr. Weishuhn then reminded the Board that the substantial completion date for the Water Line Project was January 15th. Mr. Weishuhn explained that the remaining work to be completed on such project involves connecting certain segments of recently constructed water line to the District's existing water system and connecting certain service lines to such water lines.

Mr. Weishuhn further explained that completion of such project is being delayed because isolation valves were unable to be located in various areas of the District, which is preventing Texas Pride from being able to complete work in such areas without disconnecting water service to the entire District. Mr. Weishuhn reported that Weishuhn is preparing Change Order No. 4, which includes the addition of calendar days in the contract for the Water Line Project.

Next, Mr. Weishuhn explained that on behalf of the District, Weishuhn submitted a Project Information Form to the TWDB for funds for the improvement of the District's wastewater collection system and expansion of the wastewater treatment plant ("WWTP").

Upon a **motion** by Director Conner, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board authorized Weishuhn and Mrs. Pierre to hire a contractor to perform potholing work at a cost not to exceed \$2,000.00.

5. Engineer's Report.

Dr. Clay then presented the Engineer's Report.

Dr. Clay first updated the Board regarding the status of the lift station improvements for the Brookwood Community Project. Dr. Clay reminded the Board that construction of such improvements is being delayed until certain electrical equipment is delivered to the contractor. Dr. Clay added that such equipment delay will not cause a delay in the overall development of the Brookwood Community.

Dr. Clay then explained that DMZ Property, LLC ("DMZ") is requesting approval from the District for the proposed replat of a 12.609-acre tract of land known as The Reserves at Brookshire. Dr. Clay explained that the purpose of such replat is to separate the single tract into one (1) multi-family lot and one (1) commercial lot. Dr. Clay then presented to the Board a preliminary plat provided by DMZ. Dr. Clay noted that this is the third (3rd) time such plat has been reviewed and approved by the Board because the developer keeps submitting revised plats. Dr. Clay reported that Mr. Naqvi provided him with copies of land plans and draft plats for review. Dr. Clay further reported that ownership of such land changed recently when DMZ acquired the tract. Dr. Clay explained that the previous plat placed certain requirements on the developer of such land regarding dedication of all necessary easements, but the new plat does not include such requirements. Dr. Clay stated that following discussions with RBAP regarding the new proposed plat, he is recommending that all of the previous requirements be added to such plat. Dr. Clay noted that some of those requirements may conflict with the land plans submitted by the developer and added that Mr. Naqvi agreed to work with the developer to resolve such conflicts and revise the plat to conform to Dr. Clay's recommendations. Dr. Clay then reported that he will need to review the revised plat and added that following approval of such plat, he will perform a review of the land plan. Mr. Naqvi then explained that his firm prepared the previous plat, which includes certain easements that may be unnecessary for the current development. Mr. Barner stated that he and Dr. Clay need to review the most recent comments to the proposed plat prior to the Board's approval of the same.

Upon a **motion** by Director Connor, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board authorized Dr. Clay to coordinate with the

developer regarding resolving the outstanding issues with the proposed plat so that such plat conforms to the recommendations made by Dr. Clay regarding the same.

Dr. Clay next presented the Capacity Report for service to an office-warehouse development located at 4559 Fifth Street. Dr. Clay reported that the property was sold to a new owner, but the land use of such development will not change. Dr. Clay then stated that no impact fee is owed by the property owner since an impact fee was paid by the previous owner and the land use is not changing. Upon a **motion** by Director Connor, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report for 4559 Fifth Street.

6. Riverwood Farms Residential Development Project ("Riverwood").

Dr. Clay then presented to the Board the revised Capacity Report for the proposed 173-acre 500-lot single-family residential development of Riverwood. Dr. Clay reminded the Board that such Capacity Report was revised to reflect that there is sufficient capacity in the District's WWTP to serve Riverwood. Extensive discussion then ensued regarding the amount of the impact fees that will be owed to the District by Riverway. Mr. Foley stated that the impact fee should be established prior to the commencement of construction of the development. Mr. Barner stated that the amount of the impact fees can be address in the Financing Agreement. Dr. Clay explained that the Board will be increasing the amount of the District's impact fee within the next few months and opined that Riverwood should be subject to the increased fee because most of the residences that are going be constructed in such development will be constructed after the new fee is adopted.

Mr. Barner next presented to the Board the Financing Agreement for Riverwood, which has not yet been finalized because of certain outstanding terms related to the source of wastewater treatment capacity to serve Riverwood.

7. 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 23,412,000 gallons of water was pumped from the District's wells from December 16, 2022 through January 15, 2023.

Mr. Taylor next reported that the District's WWTP operated at 43% capacity during the month of January. Mr. Taylor further reported that 13,756,200 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 458,540 gallons per day ("gpd") and the peak daily flow was 2,774,800 gpd.

Mr. Taylor then updated the Board regarding the failure of District's lift station located near the KOA campground. Mr. Taylor reminded the Board that it previously approved the excavation of the existing lift station site and purchase and installation of a refurbished lift station pursuant to the terms of four (4)-month payment plans for the same.

Mr. Taylor then reminded the Board that the U.S. Environmental Protection Agency recently updated their Lead and Copper Rule ("LCR"). Mr. Taylor explained that the revised LCR requires the District to prepare an inventory of all water lines within the District, both public and

privately owned, by October 2024. Mr. Taylor next discussed MOC's recommended approach for determining the number of lead service lines located within the District and stated that MOC will focus on service lines installed prior to 1988 as such lines are more likely to be made of lead or copper than lines installed after such date. In response to a question from Director Conner regarding the cost to prepare such inventory, Mr. Taylor explained that his estimated costs are based on MOC performing all such work; however, if the District's Field Staff performs some of the water line inspections, the cost to prepare such inventory will be reduced.

Mrs. Pierre next reminded the Board that Horizon Distributors, Inc. ("Horizon") requested that the District consent to the City of Brookshire's (the "City") issuance a temporary certificate of occupancy because of a lack of water pressure in District's water distribution system near the property. Mrs. Pierre then explained that such certificate will allow Horizon to operate its business despite the low water pressure. Mr. Taylor next stated that the District's water system is currently unable to provide adequate pressure to meet the City's requirements for a fire suppression system. Mr. Taylor reported that Horizon performed flow testing on the District's water system to determine whether the pressure increased since a valve was recently located within the District's water line. Mr. Taylor explained that the water pressure drops to approximately 46 pounds per square inch in the area around Horizon's property. Mr. Montgomery then recommended that the District issue a letter to Horizon stating that the District has no objection to the City's issuance of a temporary certificate of occupancy.

Next, Mr. Taylor reminded the Board that he previously recommended pulling and inspecting the well at Water Plant No. 3 as such well is not operating properly. Mrs. Pierre reported that she coordinated with Director Green and the Bookkeeper to consider the cost estimates for such work and funding of the same.

Mr. Taylor then updated the Board regarding the status of repairs to certain District fire hydrants and manholes.

Upon a **motion** by Director Jackson, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board: 1) accepted the Operator's Report, as presented; and 2) approved issuance of a letter to Horizon stating that the District has no objection to the City's issuance of a temporary certificate of occupancy.

8. Review Matters Involving Administration/Personnel.

Mrs. Pierre reported that two (2) new temporary employees were hired due to a staffing shortage within the District's office.

Director Green reported that the City has not approved an award to the District of grant funds for the purchase of new generators for the District's water plants. Director Green further reported that Grant Works, Inc., the company providing services to the City to obtain grant funding through the Texas Department of Agriculture's Community Development Block Grant Fund, has recommended that the City approve such award to the District.

9. **Executive Session.**

Pursuant to Chapter 551 of the Texas Government Code, specifically Section 551.071 relating to matters of attorney-client privilege, the President called the Executive Session to order at 7:22 p.m. Present for the executive session were all members of the Board present, Mrs. Pierre, and Mr. Barner.

The President then reconvened the meeting in open session at 7:50 p.m.

Mr. Foley re-entered the meeting at this time.

The Board then informed Mr. Foley that it is the consensus of the Board that the District's current impact fees will be in effect for three (3) years from the date that the permit is issued for the first (1st) single-family residential home to be constructed within Riverwood.

10. **Adjournment.**

There being no further business to come before the Board, the Board meeting was adjourned at 7:51 p.m.

PASSED, APPROVED and ADOPTED this the 3rd day of April, 2023.

(DISTRICT SEAL)




Secretary, Board of Directors