

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

September 6, 2022

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 6th day of September, 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
Erin Jackson	Secretary
Michael Whitaker, Jr.	Assistant Secretary
Shirley Williams	Investment Officer

All members of the Board were present, thus constituting a quorum. Attending in person were Tonya Pierre ("General Manager"); John Taylor and Mario Garcia of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Bear Oakley of Acclaim Energy ("Acclaim"); Michael Foley of Riverway Properties ("Riverway"); Heather Guillen of Walter P. Moore Engineering; 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 6:03 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 Meetings.

The Board then considered approval of the minutes from the regular meeting of August 1, 2022. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of August 1, 2022, as presented.

3. Discuss Acclaim Energy's Reliability Advantage Program.

Mr. Oakley then explained to the Board the purpose of Acclaim's Reliability Advantage Program and responded to questions from the Board. In response to a question, Mr. Oakley stated that the cost for the District to join such program is a flat fee of \$2,500.00. Mr. Oakley then

explained that Acclaim provides members of such program with monthly updates regarding Acclaim's lobbying efforts related to the Public Utilities Commission of Texas. A discussion ensued regarding participation in such program.

4. **Engineer's Report.**

Dr. Clay then presented the Engineer's Report.

Dr. Clay presented the Capacity Report for service to a healthcare center to be developed by Medical Care Center, LLC ("Medical Care") in the Alexander Plaza shopping center located at 3905 Eleventh Street. Dr. Clay reminded the Board that the developer of Alexander Plaza paid the impact fees owed for the entire development when it was constructed. Dr. Clay stated that Medical Care does not owe any additional impact fees for such development. Dr. Clay then reminded the Board that when Alexander Plaza was constructed, the District's Rate Order did not require each unit within a development to have a separate water meter; however, such Rate Order was subsequently amended to establish such requirement. Upon a **motion** by Director Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report for Medical Care and waived the requirement for Medical Care to have a separate water meter.

Next, Dr. Clay presented a Capacity Letter regarding the La Quinta Inn located at 721 Texas Farm-to-Market ("FM") 1489. Dr. Clay explained that such development changed ownership, and the new owner applied to have the account transferred to their name. Dr. Clay further explained that during such process, the District became aware that a separate irrigation meter is located on such development, for which an impact fee was never paid to the District. Dr. Clay stated that the amount of such impact fee is \$2,282.79. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved issuance of the Capacity Letter to La Quinta Inn.

Dr. Clay then presented a Capacity Letter regarding an office-warehouse to be developed by Boston Barricades Company, Inc. ("Boston Barricades") located at 245 Koomey Road. Dr. Clay explained that Boston Barricades' development will be located in one (1) unit of an existing development owned by Garden St. Investments, LLC ("Garden St."). Dr. Clay further explained that Garden St. paid the impact fees owed for the entire development when it was constructed; therefore, Boston Barricades does not owe an impact fee to the District. Upon a **motion** by Director Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved issuance of the Capacity Letter to Boston Barricades.

Dr. Clay updated the Board on the status of the Capacity Report for service to Off Lease Only ("OLO"), a used vehicle detailing shop to be located at 1926 FM 362, which is being developed by Spirit Realty LP. Dr. Clay reminded the Board that such development is located outside the boundaries of the District. Dr. Clay reported that the impact fee owed by Spirit is \$50,492.43. Dr. Clay further reported that the District does not have wastewater capacity to serve OLO due to prior capacity commitments but explained that certain equipment may be installed, and certain discharge methods employed, in order to minimize the use of such capacity. In response to a question from Dr. Clay, Ms. Guillen reported that OLO resubmitted plans depicting

an updated lift station and certain other requested information. Ms. Guillen further reported that a plat was submitted by OLO. Ms. Guillen went on to report that OLO's contractor began work on clearing and excavating an on-site detention pond. Upon a **motion** by Director Connor, seconded by Director Whitaker, after full discussion and with all Directors present voting aye, the Board: 1) approved the Capacity Report for OLO; and 2) approved the plans and plat submitted by OLO for such development. Mr. Barner then noted that prior to obtaining service from the District, the land being developed by OLO must be annexed into the District.

5. Update on Financing Agreement Between the District and Riverway for Riverwood Farms.

Mr. Barner then reminded the Board that RBAP previously provided a third (3rd) draft of the Financing Agreement for the Board to review. Mr. Barner stated that such draft included the minor revisions recently made to such agreement in order to address comments previously received from Dr. Clay and Riverway. Mr. Barner explained that such agreement cannot be finalized until the technical aspects of such development are resolved between Dr. Clay and Riverway.

Dr. Clay next updated the Board on his recent discussions with Riverway regarding extending sanitary sewer lines from Riverwood Farms to the District's wastewater treatment plant ("WWTP"). Dr. Clay stated that once Riverway extends such lines, the District will have the capacity to serve the entire Riverwood Farms development. In response to a question from Director Green regarding the amount of capacity still available at such plant if the District serves all 500 single-family units that are to be located in Riverwood Farms, Mr. Taylor stated that serving such units will have minimal impact on the District's capacity at the WWTP as it will result in only an additional 125,000 gallons per day of flow.

Mr. Foley then summarized for the Board an email to Dr. Clay from Riverway's engineer, R. G. Miller Engineers, Inc. ("R. G. Miller") suggesting an alternate route for the extension of Riverway's sanitary sewer lines to the District's existing WWTP that would eliminate the need to construct an additional WWTP. Dr. Clay stated his concern regarding preserving the amount of available capacity within the District. Director Green then requested that Dr. Clay finalize the Capacity Report for the Riverwood Farms development.

Dr. Clay, Ms. Guillen and Mr. Foley exited the meeting at this time.

6. Texas Municipal League Intergovernmental Risk Pool ("TML") Ballot for Board of Trustees.

Discussion next ensued regarding whether to cast an official ballot in the TML 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 Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board authorized Mr. Pierre to coordinate with Director Green for purposes of casting a ballot in the TML Board of Trustees Election.

7. **Conduct Public Hearing on Tax Rate.**

The President next declared the public hearing open at 6:54 p.m. to discuss the District's proposed tax rate for 2022. As there were no members of the public present, the public hearing on the 2022 Tax Rate was declared closed at 6:55 p.m.

8. **Adopt Order Setting Rate and Levying Tax for 2022 (the "Order").**

Mr. Barner reminded the Board that the 2021 tax rate was \$0.012 per \$100 of assessed valuation and that, per the Financial Advisor's recommendation, the Board authorized publication of the proposed 2022 tax rate at \$0.010 per \$100 of assessed valuation. Discussion then ensued regarding the proposed 2022 tax rate.

Mr. Barner next presented the Order to the Board for adoption, a copy of which is available upon request. Mr. Barner stated that the Order provides for the levy of a 2022 tax rate totaling \$0.010 per \$100 of assessed valuation for debt service purposes only.

Upon a **motion** by Director Connor, seconded by Director Whitaker, after full discussion and with all Directors present voting aye, the Board adopted the Order.

9. **Review Contract for Tax Assessing and Collecting Services with the City of Brookshire (the "City").**

Mr. Barner then recommended that the District renew the contract with the City allowing the City Tax Assessor/Collector to perform property tax collection services on behalf of the District. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board renewed the contract with the City for the performance of property tax collection services.

10. **Adopt Order Appointing Tax Assessor/Collector.**

Mr. Barner next presented to the Board for adoption an Order Appointing Tax Assessor/Collector, a copy of which is available upon request. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board adopted the Order Appointing Tax Assessor/Collector.

11. **Adopt Resolution Concerning Tax Collection Procedures (the "Resolution").**

Mr. Barner then presented and reviewed with the Board the Resolution, a copy of which is available upon request, which rejects certain tax collection procedures that permit the District to refrain from sending a tax bill to property owners for less than \$15.00, allows for a split payment option, and allows discounts for early payment. A brief discussion ensued regarding the limitations of the Tax Assessor/Collector's software regarding split payments. It was the consensus of the Board to table further discussion regarding such matter until the regular Board meeting on October 3rd.

12. Approve Amended and Restated District Information Form ("ADIF").

Mr. Barner next presented to the Board for adoption the ADIF, a copy of which is available upon request. Mr. Barner explained that the ADIF must be amended to reflect the current tax rate and any outstanding debt. Mr. Barner further explained that the ADIF is required to be filed in the Waller County Real Property Records and with the Texas Commission on Environmental Quality (the "TCEQ"). Upon a **motion** by Director Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the ADIF and authorized the Attorney to file the same in the Waller County Real Property Records and with the TCEQ.

13. Discuss Designating of Reinvestment Zone by the City.

Mr. Barner explained that the City recently conducted a public hearing for the establishment of a reinvestment zone upon the property located at 3560 Fourth Street. Mr. Barner further explained that the establishment of a reinvestment zone allows certain governmental entities to enter into tax abatement agreements with property owners within such zone, and because the District is a governmental entity that also taxes the subject property, Chapter 312 of the Texas Tax Code requires the City to provide notice to other entities with taxing authority in such zone. Mr. Barner then added that the District is not required to enter into any such agreement despite the establishment of such zone.

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

15. Status of Joint Special Meeting with City Regarding Coronavirus Local Fiscal Recovery Funds Program and Development Policies.

Next, Director Green reminded the Board that RBAP sent a letter on behalf of the District to the City requesting the scheduling of a joint meeting with the City Council and the Board to discuss development policies and procedures and funds received by the City through the Coronavirus State and Local Fiscal Recovery Funds Program. Director Green stated that the District and City intended to hold a joint meeting on August 25th, but the City did not post notice of such meeting; therefore, such meeting was not able to be held.

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

Regarding the water line replacement project that will replace asbestos clay water lines along 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 the Water Line Project remains approximately 89% complete. Mr. Weishuhn explained that the remaining

work to be completed involves connecting certain segments of recently constructed water line to the District's existing water system and connecting certain service lines to such water line. Mr. Weishuhn further explained that such work cannot be completed without disconnecting water service to the entire District. Mr. Weishuhn reported that Texas Pride Utilities, LLC ("Texas Pride") has ceased work on such project until such time that isolation valves are purchased and installed by MOC.

Mr. Weishuhn next reported that Texas Pride identified three (3) District fire hydrants that are not operational, including one (1) such hydrant that is missing.

Mr. Weishuhn then suggested that since the Water Line Project is nearing completion, Weishuhn will prepare a change order removing unnecessary or duplicate items from the District's construction contract with Texas Pride and adding up to an additional 60 days to such contract.

Next, Mr. Weishuhn reported that most of the new water lines are in operation, but not all of the asbestos clay lines have been abandoned yet due to challenges with isolating certain lines to prevent wide-spread disruptions in service. Mr. Weishuhn further reported that the asbestos clay lines located along FM 1489 have not been abandoned because Texas Pride is unable to isolate such lines.

Mr. Weishuhn then reported that Texas Pride's project manager is no longer working on the Water Line Project, but the new project manager is familiar with the District's system and has completed previous District projects.

Mr. Weishuhn next suggested installing and exercising valves in order to locate valves that have been buried.

Mr. Weishuhn then stated that he obtained proposals in the amounts of \$16,000 to \$18,000 for the installation of six-inch (6") and eight-inch (8") Inserta valves, respectively. Mr. Weishuhn explained that such valves can be inserted into an active water line to allow for the isolation of such line.

17. Operator's Report.

Mr. Taylor next updated the Board regarding the status of repairs to certain District fire hydrants and manholes and stated that such hydrants have been repaired.

Mr. Taylor then presented the Operator's Report, a copy of which is available upon request. Mr. Taylor reported that a total of 25,734,000 gallons of water was pumped from the District's wells from June 16, 2022 through July 15, 2022.

Mr. Taylor next reported that the District's WWTP operated at 40% capacity during the month of July. Mr. Taylor further reported that 11,677,600 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 389,253 gallons per day ("gpd") and the peak daily flow was 536,600 gpd.

Next, Mr. Taylor explained that MOC's operating expenses increased within the past year due to increased fuel prices. Mr. Taylor then requested that the Board approve a variable fuel surcharge based upon the average price of fuel each month.

Mr. Taylor then stated that he has no update for the Board regarding the status of street repairs within the District because the MOC employee overseeing such repairs is out of the country.

18. Directors' Reports.

Director Williams stated that an employee of the District was recently praised by a customer for his positive interaction with such customer.

19. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 8:11 p.m.

PASSED, APPROVED and ADOPTED this the 3rd day of October, 2022.



(DISTRICT SEAL)

Elin Y. ym
Secretary, Board of Directors