

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

January 3, 2024

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 3rd day of January, 2024, 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 were Tonya Pierre ("General Manager"); John Taylor 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"), via telephone; Meredith King, attorney, of Radcliffe Adams Barner PLLC ("Attorney" or "RAB"); Chris Farrar of Roland 5, LLC ("Roland"); Willis Holmes, employee of the District; 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 Meeting

The Board then considered approval of the minutes from the regular meeting of December 4, 2023. Upon a **motion** by Director Jackson, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of December 4, 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 ("FYE") August 31, 2024, and the year to-date expenses incurred by the District.

Mr. Haskins noted that the District's total expenses, capacity reservation fees, customer deposits and developer deposits for construction continue to exceed the revenue the District received in its general fund by \$443,587.17; however, the amount of such overage decreased since last month. Mr. Haskins further noted that payment from the City of Brookshire, for the District's ad valorem tax revenue for the 2022 tax year, in the amount of \$72,000.00 is included in such report.

Mr. Haskins next presented the Quarterly Investment Report for the first (1st) quarter of the FYE August 31, 2024.

Mr. Haskins reminded the Board that approximately \$18,182.25 of interest was earned on the District's bonds that were purchased by the Texas Water Development Board (the "TWDB"), but the District cannot request that the TWDB authorize a release of such interest until the project for which such bonds were issued is closed out.

Upon a **motion** by Director Connor, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board approved: 1) the Bookkeeper's Report, as presented; and 2) the Quarterly Investment Report for the first (1st) quarter of the FYE August 31, 2024.

4. TWDB Project

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 and east of FM 362 (Project Information Form No. 62829) (the "Water Line Project"), Mr. Weishuhn reported that the Water Line Project is approximately 99% complete.

Mr. Weishuhn next reported that on December 15, 2023, Texas Pride Utilities, LLC ("Texas Pride") connected the new water line on First Street to the District's water distribution system and abandoned the old asbestos clay water lines on Cooper Road and FM 1489. Mr. Weishuhn further reported that the as-built drawings were updated to reflect such work.

Mr. Weishuhn then reported that Texas Pride excavated areas south of U.S. Highway 90 at Kenney Street in a second (2nd) attempt to locate an asbestos clay water line in such area. Mr. Weishuhn further reported that no such line was located and stated that he cannot confirm the existence of such line.

Mr. Weishuhn next reported that Texas Pride is evaluating the old asbestos clay water line along Second Street to determine whether such line is operational and needs to be abandoned. Mr. Weishuhn stated that there are not adequate funds remaining in the budget for the Water Line Project to isolate such line in order to abandon it. Mr. Weishuhn stated that in order to economically abandon such line, it will require disruption of service to the entire District. Mr. Weishuhn then reported that the valve is leaking on the water line located at Second Street and FM 362. Mr. Weishuhn stated that Texas Pride can examine the activity in such water line through an excavation process called potholing. Mr. Weishuhn further stated that if water service is terminated to the entire District, Texas Pride will be able to cap the old water lines at such time. Mr. Weishuhn explained that adequate funds remain in the budget for the Water Line Project to

perform the potholing and cap the old water line; however, if such water line is active, there are only enough funds to install one (1) isolation valve. Mr. Weishuhn suggested that the District could wait until such water line breaks in order to cap such line.

Mr. Weishuhn then presented Texas Pride's Pay Application No. 15 in the amount of \$9,870.50 for work performed on December 15, 2023. Mr. Weishuhn reported that following payment of such pay application, approximately \$9,559.00 remains in the budget for the Water Line Project.

Mr. Weishuhn stated that approximately \$18,182.25 of interest was earned on the District's bonds that were purchased by the TWDB and added that the District can request that the TWDB authorize a release of such interest. Mr. Haskins reiterated that such funds cannot be utilized until the Water Line Project is closed out.

Mr. Weishuhn next reported that the District is holding \$95,581.05 in retainage. Mr. Weishuhn further reported that the anticipated completion date for the Water Line Project is January 31, 2024. Mr. Weishuhn stated that the final project walk-thru needs to be conducted with the TWDB and Mrs. Pierre. Mr. Weishuhn went on to report that once all of the old water lines are abandoned and the new water line connections are completed, Texas Pride will replace the soil in certain ditches that were excavated during the Water Line Project.

Upon a motion by Director Connor, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board accepted the TWDB Project Report, as presented.

5. Engineer's Report

Dr. Clay then presented the Engineer's Report.

Dr. Clay then reminded the Board that it previously consented to DMZ Property, LLC's ("DMZ") replat of a 12.609-acre tract of land known as The Reserves at Brookshire; however, DMZ recently submitted a revised plat. Dr. Clay reported that the original plat required DMZ to install an eight-inch (8") water main. Dr. Clay further reported that the revised plat does not depict the eight-inch (8") water main and will need to be revised to reflect that DMZ will furnish and install the eight-inch (8") water main.

Dr. Clay next presented the Capacity Report for 395 Waller Avenue (FM 359), which is being developed by DMZ into a 328-unit apartment complex, clubhouse, and three (3) commercial buildings. Dr. Clay reported that the Impact Fee owed by DMZ is \$735,356.48. Dr. Clay then stated that due to the small size of each apartment unit, he reduced the equivalent service unit value to 70%, which would be a variance from the District's Rate Order. Dr. Clay stated that separate water meters will be required for the clubhouse and each of the commercial buildings. Dr. Clay further reported that a new water well will need to be drilled in order for the District to establish adequate water capacity to serve DMZ's proposed development. Dr. Clay recommended that construction of such well be funded by DMZ's Impact Fee. Dr. Clay further recommended construction of a new water main line along the west boundary of the development, construction of which would be funded by DMZ. Dr. Clay suggested that RAB coordinate with DMZ to prepare

a development agreement in order to confirm that DMZ is responsible for the costs associated with construction of the water and wastewater facilities necessary to serve such development. It was the consensus of the Board to table approval of the Capacity Report for DMZ until DMZ makes the necessary revisions that Dr. Clay has noted in his Capacity Report and DMZ submits a revised plat that includes the revisions noted by Dr. Clay.

Dr. Clay then reported that a development inquiry was received during the past month for a 200-unit apartment building; however, he has not received any further information regarding such development.

6. Land Use Assumptions, Capital Improvements Plan ("CIP") and Impact Fees

Ms. Pierre stated that she is working on scheduling a date on which the CIP Advisory Committee will meet to discuss the District's CIP. Ms. King explained that in order to amend the District's CIP, the District must hold a public hearing to allow for public comment on the CIP and Impact Fees. Ms. King added that notice of the public hearing on the amended CIP must be published at least 30 days before the date of the hearing. Ms. King then stated that the Board will determine whether or not the CIP and Impact Fees must be amended after such hearing is conducted.

7. Operator's Report

Mr. Taylor presented the Operator's Report, a copy of which is available upon request. Mr. Taylor reported that a total of 19,663,000 gallons of water was pumped from the District's wells from October 16, 2023 through November 15, 2023.

Mr. Taylor then reported that the District's wastewater treatment plant ("WWTP") operated at 30% capacity during the month of November. Mr. Taylor further reported that 8,823,000 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 294,100 gallons per day ("gpd") and the peak daily flow was 667,000 gpd.

Mr. Taylor next reported that MOC completed the repair of eight (8) of the 12 water line leaks within the District on December 15, 2023. Mr. Taylor stated that MOC did not repair the water leak on Tenth Street due to the disruption of service that would be necessary to repair such line. In response to a question regarding whether such repairs were documented on the map of all District water lines in which leaks occurred and were repaired, Mrs. Pierre stated that she will coordinate with MOC to add such information to the map.

Mr. Taylor next reminded the Board that he is coordinating with Dr. Clay to complete the District's Asset Management Plan as required by the TWDB when applying for grant funds. Mr. Taylor stated that he completed his portion of such plan and will provide such plan to Dr. Clay and Mrs. Pierre for their review.

Next, Mr. Taylor reported that a pump valve on the lift station located on Seventh Street is failing. Mr. Taylor stated that he requested a written proposal from S.T.P. Services to replace such pump.

Mr. Taylor then reported that G-M Inspections Services, Inc. ("G-M Inspections") performed testing on Water Well No. 3 last month and added that he provided G-M Inspections' report to Mrs. Pierre and Dr. Clay. Mr. Taylor reminded the Board that C&C Water Services ("C&C") previously repaired such well. Mr. Taylor further reported that based upon the findings in such report, C&C will remobilize to make additional repairs to such well, if necessary.

Mr. Taylor next reported that Mrs. Pierre provided MOC with a list of water line leaks throughout the District that need to be repaired. Mr. Taylor stated that the District's field staff will determine which of such water lines are able to be isolated. MOC will then determine a date in late February or early March on which such lines can be repaired, which will require a District-wide disruption in water service.

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

8. Sanitary Sewer Overflow Initiative Program

Mr. Taylor then reminded the Board that as part of the District's participation in the TCEQ's Sanitary Sewer Overflow Initiative Program, the District is required to address certain deficiencies in its wastewater collection systems. Mr. Taylor reported that by September 1, 2024, the District is required to televise and repair certain portions of the District's wastewater lines. Mr. Taylor further reported that MOC has televised certain District water lines and identified five (5) manholes that are in need of repair. Mr. Taylor stated that he will obtain written proposals for such repairs for the Board to consider.

9. Emergency Response Procedures

Regarding the District's emergency response procedures, Mr. Taylor stated that he will review such procedures .

10. Rate Order, Including Review Rates for Non-Taxable Entities

Mrs. Pierre then stated that she will coordinate with RAB regarding the lift station utilized by the Brookshire-Katy Drainage District (the "BKDD") and billing for the BKDD's wastewater service.

11. Directors' Reports

Director Green stated that the District's office was understaffed yesterday and thanked Director Williams for assisting at the office during such time.

Mr. Farrar then explained that Roland owns the property located at 34505 Interstate 10, which is occupied by Horizon Distributors, Inc. Mr. Farrar further explained that he was provided with the tap fee estimate during today's meeting and is of the opinion that such estimate, in the amount of \$43,000.00, is unreasonably high. Mr. Farrar stated that he will coordinate with Mrs. Pierre and Mr. Taylor regarding the amount of such tap fee.

12. **Adjournment**

There being no further business to come before the Board, the Board meeting was adjourned at 7:17 p.m.

PASSED, APPROVED and ADOPTED this the 5th day of February, 2024.

(DISTRICT SEAL)




Secretary, Board of Directors