

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

July 11, 2022

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 11th day of July, 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, except Directors Whitaker and Connor, thus constituting a quorum. Attending in person were Tonya Pierre ("General Manager"); Jared Martin of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Alan Mund of McKim & Creed, Inc.; Sylvia Patton of Brookwood Community ("Brookwood"); Vinod Kikani of Twin Lakes, LLC ("Twin Lakes"); Russell Walker of Maple Development Group, LLC ("Maple"); and Michael Foley of Riverway Properties ("Riverway"). Also attending via telephone were James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); and Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper");

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 6:01 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 June 6, 2022. Upon a **motion** by Director Williams, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of June 6, 2022, as presented.

3. Engineer's Report.

Dr. Clay then presented the Engineer's Report.

Dr. Clay updated the Board regarding the status of the Brookwood Project and reported that the final walk-through inspection occurred last month. Dr. Clay reported that construction on such project is complete and recommended that the Board approve payment of the contractor's final invoice once received by the District.

Dr. Clay then presented the Capacity Report for Brookwood's renovation of two (2) residential buildings located on Texas Farm-to-Market ("FM") 1489. Dr. Clay reminded the Board that such property is not located within the boundaries of the District. Dr. Clay reported that the impact fee owed by Brookwood will be \$1,847.49. Dr. Clay further reported that the existing buildings located on Brookwood's property are all served by a single master water meter. Dr. Clay then reminded the Board that the District's Rate Order requires individual buildings to have separate water meters. Dr. Clay stated his recommendation that the Board waive such requirement and allow the buildings on Brookwood's property to continue to be served by a master water meter to avoid future billing issues for the District. Upon a **motion** by Director Jackson, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report for Brookwood, including waiver of the requirement for individual water meters for buildings at Brookwood.

Next, Dr. Clay presented 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 ("Spirit"). Dr. Clay reported that the impact fee owed by Spirit is \$50,492.43. Dr. Clay 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 to minimize the use of such capacity, including holding tanks, timers and sensors. Dr. Clay further suggested that OLO operate a private onsite wastewater collection system that only discharges into the District's wastewater treatment system at night when the amount of wastewater flow throughout the District is lower. Dr. Clay explained that OLO submitted a revised application for service on June 22nd, which he has not yet had an opportunity to thoroughly review. It was the consensus of the Board to table further discussion of the Capacity Report for OLO until the August 1st Board meeting.

Dr. Clay next reviewed with the Board the Capacity Report for water and wastewater service to a proposed 155-acre 500-home single-family residential project being developed by Maple. Dr. Clay reminded the Board that the District has adequate water and wastewater capacity to serve such development due to such project's location relative to the District. Dr. Clay next reported that the impact fee owed by Maple will be \$1,671,000. Dr. Clay went on to report that the total cost for the construction of water and wastewater lines to serve such development is approximately \$2,123,000. Dr. Clay then noted that such development is located outside of the boundaries of the District and will need to be annexed into the District and designated as a defined area within the District. A discussion then ensued regarding such Capacity Report. Upon a **motion** by Director Jackson, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report for Maple.

Dr. Clay then reminded the Board that Jefferson Triangle Marine Company ("Jefferson") owns the vacant tract of land on Interstate 10 adjacent to the Flying J Travel Center. Dr. Clay reminded the Board that Jefferson requested that the District extend the water and wastewater lines running along the north side of Interstate 10 in order to serve future developments located on such tract. Dr. Clay stated that the District's water and wastewater lines currently do not extend across

the entire length of Jefferson's tract. Dr. Clay reported that Jefferson has not responded to his comments to Jefferson's plans for such tract; however, Jefferson contacted him to inquire about extending Otto Street. Dr. Clay stated that he informed Jefferson that the District has no authority to extend a roadway, and it would be a matter for the City of Brookshire (the "City") to consider.

Next, Dr. Clay reported that Twin Lakes is requesting that the District relocate certain water main lines located on their property. Dr. Clay then presented documents to the Board identifying the existing location of water lines installed within this abandoned development. Dr. Clay explained that Twin Lakes wants to abandon the ten-inch (10") water line running through the middle of the property and install a detention pond in such location in order to comply with Waller County's drainage requirements. Dr. Clay stated his recommendation that the Board allow the relocation of such water line and suggested that Twin Lakes be required to enlarge the new line at their expense. Dr. Clay further recommended that upon abandoning the existing line, Twin Lakes be required to install a twelve-inch (12") water line and presented a drawing showing the proposed location of such new line. Upon a **motion** by Director Williams, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board: 1) approved Twin Lakes' request to abandon the existing ten-inch (10") water line running through their property; and 2) accepted Dr. Clay's recommendation to install a new twelve-inch (12") water line along the perimeter of Twin Lakes' property.

Dr. Clay then stated that he is still preparing the Capacity Report for the MASN Apartments located at FM 1489 and South Street. Dr. Clay explained that the District does not have the wastewater capacity to serve such development due to its location within the District. Dr. Clay then stated that he believes there is a solution to such lack of capacity, but that he will need time to further investigate such solution.

Dr. Clay next reported that Roland 5, LLC ("Roland") owns 3.25 acres of land located at Interstate 10 and Solomon Lane. Dr. Clay further reported that Roland is requesting that the District approve Roland's subdivision plat, which separates such land into two (2) separate tracts. Dr. Clay stated that the subdivision plat submitted by Roland does not depict the buildings located on such land, nor does it include the water meters, sanitary sewer cleanouts or manholes on-site. Dr. Clay explained that the City is requiring that Roland obtain the District's approval for the replating of such land; however, the District needs to know the location of the water and wastewater lines installed on such property. Dr. Clay recommended that Roland provide the District with a survey of such property and plans showing the water meters, sanitary sewer cleanouts and manholes located on such property to ensure that each new tract has its own water lines and wastewater lines. Mr. Mund introduced himself to the Board as Roland's engineer and stated that he is in the process of locating plans identifying such lines and other underground facilities. Mr. Mund explained that the buildings located on such property were constructed in the early 2000s, and while he has the survey prepared in 2020, it does not depict such buildings. Mr. Mund then stated that the two (2) buildings are leased to United Rentals and Verizon. Mr. Mund explained that the purpose of replating such land is for renovation of such land, including a new fire suppression line.

4. Update on Land Use Assumptions, Capital Improvements Plan and Impact Fees.

Dr. Clay then explained to the Board the process of revising the District's Capital Improvements Plan and impact fees. The Board discussed setting a meeting to discuss appointing members to a Capital Improvements Advisory Committee. Mr. Barner explained that at least 40% of such committee must be comprised of members of the community. Upon a **motion** by Director Williams, seconded by Director Jackson, after full discussion and will all Directors present voting aye, the Board authorized Dr. Clay and Mrs. Pierre to recommend to the Board five (5) individuals to serve on the District's Capital Improvements Advisory Committee.

5. 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, 2022 and the year to-date expenses incurred by the District.

Mr. Haskins next reviewed with the Board the Quarterly Investment Report ("QIR") for the third (3rd) quarter of the FYE August 31, 2022. In response to a question from Mr. Barner, Director Williams confirmed that she completed the Public Funds Investment Act training last month and can now assume the duties of the District's Investment Officer, including executing the District's QIR.

Upon a **motion** by Director Jackson, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved: 1) the Bookkeeper's Report, as presented; and 2) the QIR for the third (3rd) quarter of the FYE August 31, 2022.

6. Review Draft of Budget for FYE August 31, 2023 ("FYE 2023 Budget").

The Board and Mr. Haskins then discussed scheduling a special meeting at which to discuss the FYE 2023 Budget.

7. Texas Water Development Board Projects.

Mr. Weishuhn then updated the Board on 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 such project is almost complete and that most of the work remaining involves reconnecting service lines.

Mr. Weishuhn reported that Texas Pride Utilities, LLC ("Texas Pride") is performing quality assurance checks on the new water lines installed at several of the intersections where such lines have been installed.

Mr. Weishuhn then reported that a leak occurred in a water line on 4th Street, east of Kinney Street and added that Texas Pride relocated the fire hydrant connected to such line.

Next, Mr. Weishuhn reported that he is coordinating with Texas Pride to complete the remaining punch list items so that the Water Line Project can be closed out. Mr. Weishuhn further reported that Texas Pride is preparing the as-built drawings, performing quality assurance work on the water lines they installed, and reconnecting water lines to the District's system. Mr. Weishuhn stated that he is hopeful that such project will be complete withing the next month.

Director Green reminded the Board that the City is claiming that Texas Pride has dumped dirt into certain ditches that the City recently repaired. Mr. Weishuhn recommended that the City coordinate with Weishuhn regarding the status of the Water Line Project and delay repairing the City's ditches until such project is complete.

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

Mr. Barner then reviewed with the Board a draft of the Financing Agreement and responded to questions from the Board, Dr. Clay and Mr. Foley. Mr. Barner stated that he is in the process of making minor revisions to such agreement in order to address comments received from Dr. Clay and Mr. Foley.

9. Operator's Report.

Mr. Martin then presented the Operator's Report, a copy of which is available upon request. Mr. Martin reported that a total of 17,654,000 gallons of water was pumped from the District's wells from April 16, 2022 through May 15, 2022.

Mr. Martin next reported that the District's Wastewater Treatment Plant ("WWTP") operated at 41% capacity during the month of May. Mr. Martin further reported that 11,991,800 gallons of influent was treated at the WWTP during the previous month. Mr. Martin went on to report that last month, the District's average daily flow was 399,727 gallons per day ("gpd") and the peak daily flow was 549,200 gpd.

Mr. Martin then updated the Board regarding the status of street repairs within the District.

Mr. Martin next updated the Board regarding the status of repairs to certain District fire hydrants and manholes. Mr. Martin presented a quote in the amount of \$5,000.00 to repair the fiberglass liner in a certain District manhole but stated that the District may be able to save \$1,000.00 on the cost of such repair by installing premade fiberglass liner in such manhole.

Mr. Martin then reported that a water main break occurred on 11th Street during the past weekend.

Upon a **motion** by Director Jackson, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved: 1) the Operator's Report, as presented; and 2) the manhole repair in an amount not to exceed \$5,000.00.

Mrs. Pierre reported that she is investigating whether a police report was filed related to the damage caused to such manhole. Mrs. Pierre explained that an Amazon delivery truck damaged such manhole.

Mr. Martin then reported that it is his understanding that the West I-10 Chamber of Commerce funded the fire line installation on behalf of CenterPoint Energy.

10. Review Smoke Testing Report.

Mr. Martin then reminded the Board that as part of the District's participation in the Texas Commission on Environmental Quality's ("TCEQ") Sanitary Sewer Overflow Initiative Program, the District conducted smoke testing on its wastewater lines in order to address certain deficiencies in its wastewater collection systems. Mr. Martin reported that MOC reviewed the reports prepared by the contractor who performed such smoke testing and determined the priority of repairs needed on such lines. Mr. Martin further reported that damaged cleanout caps are the primary source of infiltration into the District's wastewater collection system. Discussion then ensued involving options for cleanout cap replacement and Mr. Martin recommended that the District send a letter to customers whose cleanout caps are in need of repair notifying such customers that if their cleanout caps are not replaced within 30 days, the District will replace such cap at a cost of \$75.00 to such customer pursuant to the District's Rate Order.

Mr. Martin next reported that MOC can repair the District's damaged manholes at a rate of seven (7) such repairs per month. Mr. Martin stated that operating on such schedule, MOC will be able to complete all manhole repairs within 12 months. Mr. Martin then stated that the District will need to televisive its wastewater lines to determine how best to repair damage to such lines.

11. Discuss Call with TCEQ Regarding the Emergency Preparedness Plan ("EPP").

Mr. Martin next reminded the Board that the TCEQ requires that all water plants have a generator on-site. Director Green further reminded the Board that she and MOC held a videoconference with the TCEQ to discuss the financial burden that such requirement places upon the District and options for complying with such requirement. Mr. Martin reported that MOC revised the District's EPP to decrease the priority of generator installation and resubmitted such EPP to the TCEQ in an effort to demonstrate that a generator is not necessary at the Love's Travel Stop ("Love's"). Mr. Martin further reported that the TCEQ approved the District's request not to install a generator at Love's.

12. Review Matters Involving Administration/Personnel.

In response to a question from Mrs. Pierre regarding options for holding Board meetings via videoconference, Mr. Barner explained that pursuant to the Texas Open Meetings Act ("TOMA"), at least three (3) Directors must be physically present at a Board meeting in order to establish a quorum for the purposes of conducting a meeting via videoconference. Mr. Barner further explained that in order to conduct a Board meeting via videoconference, certain audio and video equipment would be needed to comply with the pertinent provisions of the TOMA because those directors that attend via videoconference must be both audible and visible to all of those in attendance at the Board meeting.

Next, discussion ensued regarding sending a letter to the City requesting the scheduling of a joint meeting with the City Council and the Board to discuss funds received by the City through

the Coronavirus State and Local Fiscal Recovery Funds Program, which is part of the American Rescue Plan Act of 2021.

13. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 7:55 p.m.

PASSED, APPROVED and ADOPTED this the 1 day of August, 2022.



(DISTRICT SEAL)


Secretary, Board of Directors