

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

November 12, 2019

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 12th day of November, 2019, 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:

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| Edith Penrice-Kelley | President |
| Albert Wilkins | Vice President |
| Stephanie Green | Investment Officer |
| Havanaugh Glover | Secretary |
| Victor Alardin | Assistant Secretary |

All members of the Board were present, except for Directors Penrice-Kelley and Glover. Also attending were: Tonya Pierre ("General Manager"); Dr. Herman Clay, PhD ("Engineer"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Mr. James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Mr. Sanjay Kumar; Elliott M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and all persons on the attached Attendance Roster.

The Vice President, after finding that the 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 Vice President first opened the meeting to public comment. There being no public comments, the Vice 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 October 7, 2019. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of October 7, 2019, as presented.

3. Bookkeeper's Report.

Mr. Haskins then presented the Bookkeeper's Report, a copy of which is available upon request.

Upon a **motion** by Director Green, seconded by Director Alardin, after full

discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report.

Mr. Haskins then reviewed with the Board the provisions of Texas Water Code Section 49.060, which relate to expenses and fees of office for directors.

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

Mr. Weishuhn updated the Board on TWDB Project No. 62829 and reported that Weishuhn has commenced with design of the project and now requests the Board's authorization to seek certain easements from seven (7) property owners along Texas Farm-to-Market ("FM") 1489 for the purpose of installing a new water line to replace the existing water line. Mr. Weishuhn requested that the Board permit him to send letters to the seven (7) property owners regarding such acquisition. A discussion ensued regarding the necessity of such easements and coordination with the Attorney regarding such easements.

Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board authorized Weishuhn and Mr. Barner to coordinate preparing a letter to the property owners regarding the easement request and present same to the Board for review prior to sending such letter.

5. Approval of Customer Service Evaluation Form (Backflow Evaluation).

Mrs. Pierre then presented a proposed backflow evaluation form use with customers. Mrs. Pierre reminded the Board that Mr. Bruce Albright has been engaged by the District to perform the evaluations to determine what, if any, backflow prevention assembly devices ("BFPA") are needed by customers (the "Evaluations"). Mrs. Pierre stated that she will coordinate such Evaluations with customers previously in attendance at the July 3, 2019 and July 22, 2019 Board meetings, and will provide notice regarding same.

Mr. Barner clarified that the Evaluations will determine whether or not a BFPA is required, and particularly whether or not a reduced pressure zone assembly device ("RPZA") is required. A discussion ensued regarding the Evaluations.

Mrs. Pierre then reminded the Board that while Mr. Albright may determine that a BFPA is required, Mr. Albright may also determine that a RPZA is not needed; so therefore, only those that need a RPZA will be required to perform annual inspections and provide certificates of such inspections to the District in the future. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the Customer Service Evaluation form.

6. Discuss Forming a Committee to Meet with New Development Projects.

Mrs. Pierre requested that the Board consider forming a committee to meet with developers regarding proposed projects within the District. A brief discussion ensued regarding the members of such committee and the process for scheduling meetings with developers.

Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board voted to form a committee comprised of Director Green and Director Alardin. It was the consensus of the Board that Director attendance is not a requirement for meeting with developers, and that if such Directors are not available, Mrs. Pierre and Dr. Clay are permitted to meet with such developers as has been the standard procedure

7. Engineer's Report.

The Engineer's Report was then presented by Dr. Clay, a copy of which is available upon request.

Dr. Clay reminded the Board that the groundwater storage tank ("GST") project is paid for by the Community Development Block Grant ("CDBG") received through the City of Brookshire (the "City") from the Texas Department of Agriculture. Dr. Clay further reported that such GST was back in service as of October 8, 2019.

Regarding the Brookwood Community Project, Dr. Clay then reported that RBAP is preparing certain easements that are necessary for construction of the sanitary sewer force main along 11th Street (the "11th Street Force Main") required for such project. Dr. Clay reminded the Board that certain property owners are granting such easements subject to certain terms. Mr. Barner then presented the easements and a letter agreement to the Board, which will be sent to the property owners by Mrs. Pierre.

Regarding the Access Health Project, Dr. Clay explained that he recommends a sampling well be installed at the site of such project for sampling wastewater discharge. Mr. Shannon McVey, an engineer for Access Health introduced himself to the Board and requested clarification regarding whether a sampling well is necessary for such project as the contractor is of the opinion that Access Health is not a type of facility that is customarily required to have such well. Mr. McVey explained that no medical waste or non-domestic waste will be discharged into the District's sanitary sewer collection system. Dr. Clay stated that he would review the District's requirements for sampling wells and update the Board at the December 2, 2019 Board meeting

Regarding the request for annexation by LTL Group ("LTL") for the Texas Greentech Business Park ("Texas Greentech"), Dr. Clay explained that the development consists of two (2) projects: 1) rehabilitation of the existing building; and 2) construction of a new building that will be used for manufacturing light bulbs. Dr. Clay then reminded the Board that he had previously presented a Capacity Report confirming the feasibility of service to Texas Greentech and that such report had been approved by the Board. Mr. Guillermo Sahajún introduced himself and inquired about the status of the annexation documents. Mr. Barner explained that such documents had been drafted but that his office had been reviewing certain information related to the lienholders for the loan purchasing such property. Mr. Barner also explained that his office should have such documents to Mr. Sahajún shortly.

Next, Dr. Clay reported that he has reviewed the plans and service application that were submitted for the remodeling of the Flying J Travel Center. Dr. Clay stated that it is his opinion that the remodeling will not materially change the square footage of the existing building; therefore, no Capital Recovery Fees should be assessed by the District.

Dr. Clay presented information related to a proposed 12,000 square-foot office-warehouse that Mr. Sanjay Kumar intends to construct on 11th Street, as well as the individual connections to such office-warehouse. Dr. Clay reported that Mr. Kumar requested that the Board waive the Capital Recovery Fees due for such project in exchange for Mr. Kumar agreeing to grant the District an easement for the 11th Street Force Main. Mr. Barner then explained that Chapter 395 of the Texas Government Code outlines the process for assessing impact fees and that there are certain limitations on waiver such fees. A discussion ensued regarding such fees and the easement Mr. Kumar was providing to the District for the installation of a sanitary sewer line. Mr. Barner recommended that the Board follow Dr. Clay's recommendation regarding refusal of such waiver. Dr. Clay also reminded the Board that the sanitary sewer line being placed in the above-mentioned easement will serve Mr. Kumar's property and would have to be granted regardless of whether such line was serving additional customers. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board voted to deny Mr. Kumar's request for waiver of impact fees.

Dr. Clay then presented a Capacity Report confirming the feasibility of service to Mr. Kumar's proposed office-warehouse and requested approval of same. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report.

Dr. Clay next updated the Board regarding the repairs to the Lakeside Drive Bridge and the status of reinstalling the District's facilities located on such bridge. Dr. Clay reported that such project has been completed and that such item may be removed from the agenda.

Dr. Clay then presented the revised drawing for the G-Tech Fire Line Project located at 35002 Cooper Road and recommended approval of a Capital Recovery Fee. Dr. Clay explained that he reviewed the plans regarding the ownership of the fire line. A discussion ensued related to the issue of whether such fire line should be public or privately owned. Dr. Clay reported that the contractor has agreed to install a fire line as part of their change order. Dr. Clay further reported that the design of the fire line will also serve future developments. An extensive discussion ensued regarding such fire line. Mr. Barner recommended that he and Dr. Clay discuss the nature of the fire line further before making a recommendation to the Board at the December 2, 2019 Board meeting.

Next, Dr. Clay presented a Capacity Report confirming the feasibility of service to the proposed Domino's Pizza to be located on 11th Street and requested approval of same. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report.

Dr. Clay presented information related to the proposed O'Reilly Auto Parts ("O'Reilly") to be located at Virat Crossing and the City's requirement for platting of same.

Dr. Clay recommended that the Board consent to the approval of the plat submitted by O'Reilly. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved such plat.

In regard to Alexander Plaza, Mrs. Pierre presented the Rate Order and a discussion ensued regarding whether the developer of Alexander Plaza is required to install one (1) meter per unit pursuant to the Rate Order. Dr. Clay further reminded the Board that construction of the building was underway before the District began requiring individual meters for each commercial unit, and stated that it is his opinion that it is too late for the District to require individual meters for Alexander Plaza. Director Green then inquired whether a motion was needed to allow the Alexander Plaza project to proceed with a single master meter. Mr. Barner explained to the Board that in his opinion, a motion was not needed since such project was proceeding under the rules that it had been approved. Director Alardin emphasized that the District needed to be consistent in its application of its rules on new development within the District and needed to make sure that any future multi-unit commercial projects were required to be individually metered.

Dr. Clay next presented a Final Capacity Report confirming the feasibility of service to the proposed Mappa Properties development to be located at 33943 13th Street and requested approval of same. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the Final Capacity Report.

Regarding the proposed strip center being developed at 501 Bains Street, Mrs. Pierre reported that she was informed by Mr. Carlos that such center has multiple units being rented by tenants who have not applied for service through the District. Mrs. Pierre was further informed by Mr. Carlos that such renters have requested relief from the property owner regarding lack of service to their units.

Mrs. Pierre next explained that Grundfos had requested the District's participation on its Environmental Health and Safety Fair and that such fair is open to the public. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the District's participation in Grundfos' Fair.

Regarding the notices of violation from the Texas Commission on Environmental Quality (the "TCEQ"), Dr. Clay reminded the Board that the District received a notice of alleged violation letter from the TCEQ dated August 30, 2019, regarding an inspection conducted on May 31, 2019, in which several violations were noted. Dr. Clay updated the Board regarding the status of the issues addressed in such letter and the District's response to same.

Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report.

8. **Annual Review of Rate Order, Amend as Necessary.**

Mr. Barner explained that the review of certain items in the Rate Order is an annual agenda item for the Board. Mrs. Pierre stated that she will prepare a memo to the Board regarding the Rate Order items to be reviewed.

9. **Review City of Brookshire Form (BMWD Release of Authorization).**

Mrs. Pierre presented the City of Brookshire Certificate of Occupancy / BMWD Release Authorization form. A discussion ensued, and it was the consensus of the Board that such form could be executed by the General Manager, as needed.

10. **Update on Response to Notices of Violation from Texas Commission on Environmental Quality, and Take Any Necessary Actions on Same.**

Mr. Taylor further updated the Board and reported that MOC sent a letter to the TCEQ addressing the violations identified in the TCEQ's notice of violation letter dated August 30, 2019, and requesting that the TCEQ grant the District an exception to certain requirements that the District provide certain data related to the construction of its water wells, which were constructed before such data was required to be provided to the TCEQ.

11. **Operator's Report.**

The Operator's Report was then presented by Mr. Taylor, a copy of which is available upon request.

Mr. Taylor presented a letter from the TCEQ regarding their Sanitary Sewer Overflow Initiative ("SSO") program, which stated that the plan submitted by the District was sent to the TCEQ's Enforcement Division for incorporation into an agreement. Mr. Taylor reported that a TCEQ agent has been assigned to review such plan.

Mr. Taylor reported that there were no issues at the Wastewater Treatment Plant this past month.

Regarding the blow-off valve located adjacent to 605 Purdy Street, Mr. Taylor requested authority from the Board to relocate such valve. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board voted to move such valve ten feet (10') over from its current location.

Regarding the District's process for detecting and repairing water line leaks, Mr. Taylor reminded the Board that MOC's procedure for detecting such leaks has been to dig as deep as 17 inches to determine whether or not a leak exists in a particular water line. In response to a question by Director Alardin regarding the issue MOC is attempting to resolve, Mr. Taylor explained that MOC can typically determine whether or not a leak exists using their current procedure.

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


12. **Schedule Date for Special Meeting for Presentation Related to Texas Rural Water Association/TCEQ Technical Assistance Services Program.**

Mrs. Pierre inquired as to when the Board wants to schedule a special meeting for a presentation to the Board regarding the Texas Rural Water Association/TCEQ Technical Assistance Services Program. A discussion ensued regarding the date of such special meeting.

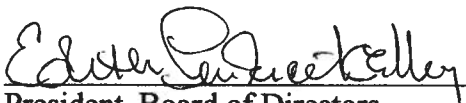
13. **Adjournment.**

There being no further business to come before the Board, the meeting was adjourned.

ATTEST:



Secretary, Board of Directors



President, Board of Directors