

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS SPECIAL MEETING

April 5, 2021

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 5th day of April, 2021, at 6:00 p.m., in the meeting room of the District, 4004 6th Street, Brookshire, Texas and via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas (the "Governor") in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic ("COVID-19") poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas; whereupon the roll was called of the members of the Board, to-wit:

Stephanie Green	President/Investment Officer
LaKethia Connor	Vice President
Shirley Williams	Secretary
Havanaugh Glover	Assistant Secretary
Michael Whitaker, Jr.	Director

All members of the Board were present, with Directors Connor and Glover attending via telephone conference call, thus constituting a quorum. Also attending were Linda Guevara, employee of the District; Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and all persons on the attached Attendance Roster. Also attending via telephone conference call 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 ("Engineer"); James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Cortland Fellers and Paul Rodriguez of Fellers & Clark ("Fellers"), on behalf of LGI Homes, Inc. ("LGI"); Mike Leader of LGI; and Sylvia Patton of the Brookwood Community ("Brookwood").

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 6:05 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.

Director Whitaker entered the meeting at this time.

2. Approve Minutes of Prior Meetings.

The Board then considered approval of the minutes from the special meeting of February 8, 2021 and the regular meetings of February 22, 2021 and March 1, 2021. Upon a **motion** by

Director Williams, seconded by Director Whitaker, after full discussion and with all Directors present voting aye, the Board approved the minutes from the special meeting of February 8, 2021 and the regular meetings of February 22, 2021 and March 1, 2021.

3. Bookkeeper's Report.

Mr. Haskins then presented the Bookkeeper's Report, a copy of which is available upon request. In response to a question regarding the status of closing the District's account held with Wells Fargo Bank, Mr. Haskins clarified that such account remains open because it is the account into which customers' credit card payments for water bills are deposited. Mr. Haskins explained that such account will be closed once such deposits are transferred to an account held with Allegiance Bank.

Mr. Haskins then reviewed the District's budget and the year to-date budget items related to maintenance and repairs.

Mr. Barner then reminded the Board that the District's November 3, 2020 Directors Election was held jointly with Waller County (the "County") and presented an invoice from the County for the remaining balance of the cost for the County to conduct the joint election.

Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board: 1) approved the Bookkeeper's Report; and 2) authorized payment to the County for the remaining balance for the cost of the joint election.

In response to a question regarding Mr. Haskins' earlier comments about the District's budget, Mr. Haskins explained that he was pointing out to the Board that the District received more income than the amount it expended from the period of September 2020 through February 2021.

Next, discussion ensued regarding adoption of a resolution designating the Bookkeeper as an authorized signatory on checks that have been reviewed and approved by the Board. It was the consensus of the Board to table further discussion regarding such matter.

4. Texas Water Development Board Projects.

Mr. Weishuhn next updated the Board on 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 then reported that Texas Pride Utilities, LLC ("Texas Pride"), the contractor for such project, received the City of Brookshire's (the "City") approval for certain permits necessary to perform such project.

Mr. Weishuhn then explained that Texas Pride is waiting to receive a flood plain permit from the County in order to begin construction on such project, and stated that he expects construction to begin in April.

5. Discuss Unauthorized Hydrant Connection/Violations/Fees.

Mrs. Pierre next discussed the letter that was sent on behalf of the District to LGI regarding an unauthorized connection to the District's water distribution system. Dr. Clay explained that a fire hydrant existed in the right-of-way in front of LGI's proposed entrance to a property located on Solomon Lane that was being developed by LGI, and stated that LGI was instructed to provide plans to Dr. Clay for approval regarding the relocation of such hydrant before the relocation occurred. Dr. Clay went on to explain that LGI proceeded with relocating such hydrant and reconnecting it to the District's waterline approximately 20 feet away from the original location; however, LGI's plans for such relocation had not been provided to or approved by Dr. Clay at the time of such relocation. Mrs. Pierre explained that such unauthorized connection constitutes a violation of the District's Rate Order and results in an assessment of penalties against LGI in the amount of \$40,210.00.

Mr. Fellers introduced himself to the Board as the construction contractor for LGI. Mr. Fellers explained that the plans for the relocation of the fire hydrant were prepared by another engineering firm, and stated that Fellers thought that such firm had already obtained the District's approval of such plans. Dr. Clay then explained that the plans submitted by LGI do not accurately reflect the actual relocation of such hydrant as was completed, and requested that Fellers provide him with revised plans showing the correct relocation.

Extensive discussion ensued regarding what LGI needs to do to obtain the District's approval of the fire hydrant's relocation, and it was the consensus of the Board that LGI coordinate further with Dr. Clay in order to obtain the necessary approval of LGI's plans, and to pay the amounts owed to the District for violation of the Rate Order before the District consents to the certification of occupancy to be issued by the City.

6. Engineer's Report.

Dr. Clay presented the Engineer's Report, a copy of which is available upon request.

Director Conner exited the meeting at this time.

Dr. Clay then reported that the Brookwood Community Project has not yet been advertised. Dr. Clay stated that he anticipates advertising for bids for such project by April 20, 2021, and will present bids to the Board on May 3, 2021.

Dr. Clay reminded the Board that the Texas Commission on Environmental Quality (the "TCEQ") requires that the District complete smoke testing on 138,500 linear feet of the District's sanitary sewer lines and submit a report regarding the same by September 1, 2021. Dr. Clay reported that upon advertising for bids regarding such smoke testing project, the District received one (1) bid. Dr. Clay further reported that Magna Flow Environmental ("Magna Flow") submitted a bid of \$0.90 per linear foot of sanitary sewer line, for a total of \$124,650.00, and recommended that the Board award such project to Magna Flow.

Mr. Barner explained that the Board needs to identify the funding source for the smoke testing project prior to entering into an agreement with Magna Flow to perform such work. In response to a question by Director Green regarding the status of the District's application to

Government Capital Corporation ("Gov. Cap.") for a loan, Mrs. Pierre reported that she submitted such application and provided Gov. Cap. with copies of the District's Audit Report for the Fiscal Year Ending ("FYE") August 31, 2020 and budget for the FYE 2021.

Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with three (3) Directors present voting aye, and Director Glover abstaining, the Board: 1) approved issuance of the Notice of Award to Magna Flow in the amount of \$124,650.00, subject to the District securing such funds; 2) authorized execution of the construction contract, subject to the Attorney's review of bonds and insurance; and 3) authorized issuance of the Notice to Proceed, subject to execution of the construction contract.

7. Update on Capital Improvement Plan ("CIP")/Impact Fees.

Director Green then explained that she met with Mr. Taylor and Dr. Clay to revise the District's long-term CIP and that an updated draft of such CIP will be provided to the Board for review.

Next, discussion ensued regarding adjustment to Impact Fees required to be paid by a property owner based on the previous property owner's use of such property. Mr. Barner explained that the District cannot assess an Impact Fee against property owners on property for which an impact fee was previously paid unless the number of service connections to such property increases. A discussion ensued regarding how to determine if Impact Fees had been paid on a property prior to new development on such property. In response to a question by Director Green, Dr. Clay stated that he will provide information to the Board regarding when the District first began assessing Impact Fees.

8. Authorize Engineer to Prepare Report Regarding Conversion to a Municipal Utility District ("MUD").

Mr. Barner then discussed conversion of the District from a water control and improvement district to a MUD. Mr. Barner explained that such conversion would enable the District to enter into agreements with developers to designate such tracts as defined areas, and that such designation allows for the taxation of the defined area that is necessary to provide for reimbursement. Mr. Barner stated that he will provide the Board with a memorandum further explaining the benefits to the District related to conversion to a MUD. It was the consensus of the Board to table further discussion regarding such matter until it reviewed such memorandum more thoroughly.

9. Authorize CP&Y, Inc. and AZ&B, Inc. to Access District Property to Perform Surveys on Behalf of the Texas Department of Transportation ("TXDoT").

Mrs. Pierre next presented a letter and proposed agreement from CP&Y, a survey company working on behalf of TXDoT, requesting authority from the District to access certain District property in order to perform surveys related to a proposed TXDoT right-of-way along Interstate 10. Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the consent form authorizing CP&Y, Inc. and AZ&B, Inc. to access certain District property in order to perform surveys on behalf of TXDoT.

10. Operator's Report.

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

Mr. Taylor next updated the Board regarding damage to certain District facilities caused by Winter Storm Uri.

11. Update on Matters Related to Compliance with the Sanitary Sewer Overflow ("SSO") Initiative Program.

Mr. Taylor next reported that he is coordinating with Mrs. Pierre to obtain a map of the District's manholes so that such manholes can be inspected and repaired as needed prior to September 1, 2021 as required by the TCEQ as part of the District's participating in the SSO Program. Mr. Taylor then stated that once such map is available, he expects the inspection of the District's manholes to be completed within two (2) to three (3) days.

12. Status of Street Repairs.

Director Green explained that the City had an item on its recent council meeting agenda to discuss complaints regarding the repair of streets following work by the District that requires excavation of such streets. Director Green further explained that Director Whitaker attended such meeting via telephone in order to discuss the District's process for repairing such streets. Director Whitaker reported that during such meeting, City Councilwoman Kim Branch expressed concern regarding the soft patches of road that have been filled in with dirt following excavation and the portions of the streets that are barricaded with barrels at or near Otto Street and 4th Street. Director Whitaker went on to provide certain examples in which sinkholes developed in roads following repairs made by the District to water or sewer lines located beneath such roads. Mr. Whitaker reported that City Council requested that the District make changes to certain processes by which it repairs roads following excavation of such roads, including the need for the placement of large steel plates on top of newly repaired roads where the asphalt has not yet cured.

13. Review Matters Involving Administration/Personnel, Including Status of Payment to Employees during COVID-19.

Mrs. Pierre then reported that she received certain forms that she needs in order to proceed with the hiring of new field technicians, and stated that she is in the process of conducting interviews of potential employees.

Next, discussion ensued regarding extension of the previously authorized additional compensation of \$2.00 per hour to the District's full-time employees. Director Whitaker stated that if the District's office staff is going to continue receiving such additional compensation, the District's office should be reopened to the public. Director Green requested that the Board postpone taking action to reopen the District's office to the public until May, at which time the Board may consider reopening such office. An extensive discussion then ensued regarding extending the additional compensation of \$2.00 per hour to the District's full-time employees and the timeline for reopening the District's office.

Upon a **motion** by Director Williams, seconded by Director Whitaker, after full discussion and with all Directors present voting aye, the Board authorized continued payment of additional compensation of \$2.00 per hour to the District's full-time employees for the next 30 days due to COVID-19.

14. Approve Training, Conferences, or Committee Meetings.

Director Green then discussed the Association of Water Board Directors' virtual cybersecurity training seminar on April 6, 2021 and April 13, 2021, the 2021 Central Texas Water Conservation Symposium to be held virtually from April 20-21, 2021, and the Royal High School's Nourishing Greatness seminar scheduled for April 14, 2021.

Director Connor entered the meeting at this time.

Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board authorized virtual attendance at such conferences and trainings.

15. Executive Session.

Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the President called the Executive Session to order at 8:00 p.m. to discuss matters regarding attorney-client privilege and deliberation regarding real property. Present for the executive session were the Board of Directors and Elliot M. Barner of Radcliffe Bobbitt Adams Polley PLLC, attorneys for the District.

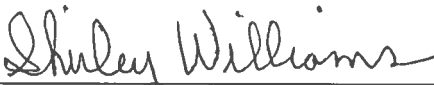
The President declared the Executive Session was ended at 8:16 p.m.

Upon a **motion** by Director Whitaker seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board authorized the Attorney to coordinate with Dr. Clay and Mrs. Pierre in order to negotiate the purchase of land pursuant to the terms discussed in executive session.

16. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 8:17 p.m.

PASSED, APPROVED and ADOPTED this the 3 day of MAY, 2021.


Secretary, Board of Directors

(DISTRICT SEAL)



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