

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

March 15, 2021

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 15th day of March, 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 Green, Connor, and Glover attending via telephone conference call, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); Linda Guevara, employee of the District; Elliot 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 Dr. Herman Clay, PhD ("Engineer"); and James Weishuhn and Barbara Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn").

The 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 6:00 p.m. and declared it open for such business as may regularly come before it.

1. **Public Comment.**

The President then 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.**

Mr. Barner explained that the minutes of the special meeting of February 8, 2021 and the minutes of the regular meeting of February 22, 2021 are still being prepared by the Attorney. It was the consensus of the Board to table approval of such minutes until the next regular meeting.

3. **Update on Matters Related to Compliance with the Sanitary Sewer Overflow ("SSO") Initiative Program, Including Update on Funding Options for SSO Projects.**

Mr. Barner next reviewed the financing options available to the District that were discussed at the March 8, 2021 Board meeting regarding funding of repairs to various District facilities in order to comply with the SSO, including applying for loans and/or grants through the Texas Water Development Board ("TWDB") or private banks, holding a bond election or an operations and maintenance tax election, issuing bonds, and increasing the rates charged for water and sewer services. Mr. Barner reported that he has not received an update from anyone regarding the status of his correspondence with Allegiance Bank relating to loans available to the District. Mr. Barner further reported that he understands that Mrs. Pierre has reached out to Government Capital Corporation regarding available loans as was discussed in the March 8, 2021 Board meeting.

Mr. Barner then reminded the Board that as part of the Texas Commission on Environmental Quality's (the "TCEQ") approval of the District's proposed plan for participation in the TCEQ's SSO Program, the TCEQ requires that certain sanitary sewer collection system repairs must be addressed by certain deadlines. Mr. Barner further reminded the Board that such requirements include that the District must conduct smoke testing on 138,500 linear feet of sanitary sewer lines, as well as perform inspections and/or repairs of various manholes, by September 1, 2021. In response to a question, Dr. Clay reported that he is preparing to advertise the smoke testing project and expects to present the received bids at the April 5, 2021 Board meeting.

Ms. Weishuhn next reviewed alternative financing options available to the District for the funding of the additional SSO Program projects required by the TCEQ, including loans through Communities Unlimited and the TWDB Development Fund or the TWDB Clean Water State Revolving Fund. Ms. Weishuhn then reminded the Board that during review of the water line replacement project ("Water Line Project") that was already funded by TWDB funds, Weishuhn determined that such line crossed under an additional railroad crossing previously not known and that work for repairing such line under such crossing was included in the bid package for such project as an alternate item. Ms. Weishuhn explained that the loan from Communities Unlimited was estimated to include costs associated with repairing the line under such railroad crossing as well as the SSO items.

Discussion then ensued regarding the timeline for the repairs to the District's sanitary sewer collection system that are required by the TCEQ. Director Glover then reviewed the TCEQ's order related to the District's SSO Plan, including the language related to requirements of receiving an extension of time on such plan and suggested that the District request an extension of time by which to complete such repairs due to delays caused by COVID-19 and Winter Storm Uri (the "Storm"). Mr. Barner stated that the District could ask for such an extension, but that he would recommend that the District be prepared to demonstrate the steps that the District is taking towards compliance with Phase 1 of the SSO as part of any request for an extension.

4. Update on Soliciting Request for Proposals for Grant Writing Services.

Next, discussion ensued regarding hiring a grant writer to prepare a request for funds from the TWDB for future rehabilitation of the District's entire wastewater collection system. Mr. Barner then reminded the Board that he had previously provided a proposed advertisement seeking proposals from grant writers qualified to assist the District in obtaining such funds. Discussion ensued regarding publication of such advertisement on the District's website and/or in a newspaper of general circulation. It was the consensus of the Board to establish April 15, 2021 as the deadline by which proposals must be received by the District.

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

Mrs. Pierre explained to the Board that when property owners perform new development within the District, certain credits are issued for Impact Fees based on the prior land use of property where the new development is occurring. Mrs. Pierre requested that the Board consider setting a limitation on the number of years for which such credit can be applied. In response to a question regarding credits for Impact Fees, Mr. Barner explained to the Board that the item regarding such fees was added to the meeting agenda after his office had provided the agenda and that he was not prepared to answer specific questions about changes to provisions of the CIP that are related to credits for previously paid Impact Fees. Mr. Barner stated that RBAP would be able to further discuss such credits in the April 5, 2021 Board meeting. It was the consensus of the Board to table further discussion regarding such matter until the April 5, 2021 Board meeting.

Mr. Barner next reported that the District's Operator provided Dr. Clay with a list of anticipated, long-term repairs to the District's facilities and stated that Dr. Clay will coordinate with the Operator to incorporate such repairs into a proposed CIP. Dr. Clay reported that he will review such list prior to the April 5, 2021 Board meeting.

6. General Manager's Report.

Mrs. Pierre next presented the General Manager's Report, a copy of which is available upon request, including a list of active development projects within the District.

Mrs. Pierre then stated that the District's Residential List is current.

Mrs. Pierre reported that there were no calls received from District customers within the past month regarding high water usage; however, she expects an increased volume of such calls next month as the next billing cycle will include the week of the Storm.

Mrs. Pierre next discussed the previous month's billing and reported on the number of water bills sent to customers and the number of accounts terminated for nonpayment. Mrs. Pierre reminded that Board that the fees and penalties accrued on delinquent accounts are no longer being waived by the District.

Upon a **motion** by Director Michael Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the General Manager's Report.

7. **Review Administration/Personnel Matters.**

Mrs. Pierre presented a quote from Next Level Urgent Care to conduct pre-employment physical examinations on prospective employees of the District. Mrs. Pierre reported that she has reached out to two (2) additional local healthcare providers to request quotes for such examinations, but stated that she has not yet received such quotes.

8. **Review Reports by Arbitrage Compliance Specialists.**

Mr. Barner then reviewed the Arbitrage Rebate and Yield Restriction Compliance Service Program dated February 26, 2021. Mr. Barner explained that the District has not earned more on its bond proceeds than is allowable by law; therefore, the District does not owe taxes to the Internal Revenue Service for such proceeds.

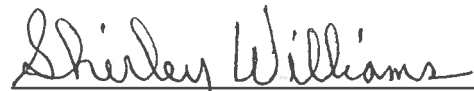
9. **Directors' Reports.**

Director Williams reported that she was approached by a resident who received a letter from the District regarding the District's backflow prevention policies and the requirement that commercial customers inform the District they are compliant with such policies. Director Williams further reported that such resident explained that she owns a beauty salon, and that the property on which such salon is located does not have a backflow prevention assembly device as required by the District. Mr. Barner explained that any customer who is requesting action from the Board related to their account must submit such request in writing to the District's Office. Mrs. Pierre stated that she will reach out to such resident to determine her concerns related to such commercial property.

10. **Adjournment.**

There being no further business to come before the Board, the Board meeting was adjourned at 7:32 p.m.

PASSED, APPROVED and ADOPTED this the 19 day of APRIL, 2021.


Secretary, Board of Directors

(DISTRICT SEAL)

