

**BROOKSHIRE MUNICIPAL WATER DISTRICT**

**MINUTES OF BOARD OF DIRECTORS REGULAR MEETING**

**October 5, 2020**

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the October 5, 2020, at 6:00 p.m., in the meeting room of the District, 4004 6<sup>th</sup> 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:

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, with Directors Penrice-Kelley, Green and Glover attending via telephone conference call, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); Linda Guevara, employee of the District; and all persons on the attached Attendance Roster. Also attending via telephone conference call were: Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"); James Weishuhn and Barbara Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Elliot M. Barner and Monica A. Garza, attorneys, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Harvey Laas of Access Health; and Sandeep Gupta, owner of the Brooke Hotel, a property within the District.

The meeting was audio recorded by RBAP in compliance with requirements of the Texas Open Meetings Act.

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 6:02 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 September 8, 2020. Director Green explained that such minutes needed to be revised to reflect

that she was not present for such meeting. Upon a **motion** by Director Alardin, seconded by Director Penrice-Kelley, after full discussion and with four (4) Directors present voting aye and Director Green abstaining, the Board approved the minutes from the regular meeting of September 8, 2020, with corrections.

**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 Alardin, seconded by Director Penrice-Kelley, after full discussion and with four (4) Directors present voting aye and Director Green abstaining, the Board approved the Bookkeeper's Report.

Mr. Haskins stated that he had sent the Quarterly Investment Report to the Board via email. However, some Directors noted they had not received such report. The Board concurred that it would like time to review such report and asked that the matter be tabled until the November 2, 2020 meeting.

**4. Annual Review of Investment Policy and Investment Strategies.**

Ms. Garza explained that pursuant to Texas Government Code, Section 2256.005(e), as amended, the District is required to review its Investment Policy and investment strategies not less than annually. Ms. Garza clarified that such review did not mean that such policy was required to be amended by the Board, but that such review required that the Board adopt an order acknowledging that it had reviewed such policy and that no changes had been recommended to same. Upon a **motion** by Director Alardin, seconded by Director Green, after full discussion and all Directors present voting aye, the Board adopt the Order Reviewing Investment Policy and Investment Strategies.

**5. Adopt Order Amending List of Authorized Brokers.**

Ms. Garza next reminded the Board that the Bookkeeper has previously provided the District's list of authorized brokers and stated that there were no new brokers on such list. Upon a **motion** by Director Alardin, seconded by Director Wilkins, after full discussion and all Directors present voting aye, the Board reapproved its Authorized Brokers List.

**6. Review Ethics Policy, including Direct Deposit Policy, and Reimbursement of Expenses and Amend as necessary.**

Ms. Garza reminded the Board that at its September 8, 2020 meeting, the Board had amended its Ethics Policy to clarify that reimbursement to Directors for expenses and payment of fees of office for work performed on behalf of the District may be made by direct deposit. A discussion then ensued regarding whether any additional changes should be made to such policy and it was the consensus of the Board that no further action was needed at this time.

**7. Update on Status of AccessHealth.**

Mrs. Pierre explained to the Board that AccessHealth recently contacted her to request that she complete a certain form required by the City of Brookshire ("City") acknowledging that AccessHealth had fulfilled the District's requirements for its recently constructed Health Clinic (the "Clinic") so that the City could issue a certificate of occupancy. Ms. Pierre then explained that when she informed AccessHealth that certain District-required inspections needed to be performed on the water and sanitary sewer lines constructed to serve the Clinic, AccessHealth informed her that all water and sewer inspections had been performed and passed and then provided her documentation from Bureau Veritas, the City's inspectors, evidencing the City's approvals of same.

Mr. Barner next explained that subsequent to AccessHealth informing Mrs. Pierre that such Clinic's inspections had already been performed, Mrs. Pierre forwarded him such emails after the Board's September 21, 2020 meeting. Mr. Barner went on to explain that he had communicated with AccessHealth, both in writing and by phone, that the District has a separate process for inspections than the City. Mr. Barner further explained that subsequent to Bureau Veritas inspection of the Clinic on behalf of the City, it had informed AccessHealth that they could "cover" the water and sanitary sewer lines. Mr. Barner noted that he then communicated with the City's Attorney, Justin Pruitt, and explained that AccessHealth took Bureau Veritas' comments to mean that AccessHealth was complete with all inspection requirements related to the Clinic and requested that Mr. Pruitt discuss with Bureau Veritas options for making such comments on the City's inspections more clear in order to avoid similar issues in the future. Mr. Barner then requested that Mr. Taylor remind the Board of the District's inspections process and options for resolution of AccessHealth's inspections for the District.

Mr. Taylor next explained the District's inspection process and that the Board could require that AccessHealth uncover the Clinic's water and sewer lines or that AccessHealth could have such lines inspected through camera. Mr. Taylor added that the District's inspections were necessary to protect the District's water distribution and sanitary sewer collection systems by ensuring that such lines were constructed according to the plans approved by the District's Engineer and that such connections to such systems were made correctly. An extensive discussion ensued regarding how to ensure that developers and property owners within the District complied with the District's development policies and inspection requirements prior to provision of service.

Upon a **motion** by Director Penrice-Kelley, seconded by Director Alardin, after full discussion and with four (4) Directors present voting aye and Director Green voting nay, the Board voted to require that AccessHealth uncover its water and sanitary sewer lines so that the District could perform its inspections prior to providing service to AccessHealth.

**8. Texas Water Development Board ("TWDB") 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 reported that on October 2, 2020, Weishuhn received six (6) bids, a tabulation of which is available upon request. Mr. Weishuhn explained that the tabulation was based on specifications provided by Weishuhn that included a base scope of work

and several alternate items, with the low base bid by Texas Pride Construction ("Texas Pride"). An extensive discussion ensued regarding: a) the scope of work to be performed; b) the costs of such work for the Water Line Project, which is funded through bonds purchased by the TWDB; and c) funding options for the alternate items outlined in the bid specifications. Upon a **motion** by Director Glover, seconded by Director Alardin, after full discussion and three (3) Directors present voting aye, and Directors Green and Alardin abstaining, the Board awarded the base bid to Texas Pride.

In response to a question from Mrs. Pierre, Mr. Weishuhn explained that a previously discussed Pipeline Crossing Agreement was now unnecessary as it was for one of the alternate bid items not approved.

**9. Discuss Capital Recovery Fees.**

Dr. Clay presented a short article, a copy of which is available upon request, outlining reduced impact fees for new water and sewer connections in the City of Rosenberg ("Rosenberg"), noting that they were now slightly lower than those for the District. In response to a question regarding whether the District should review its impact fees to be more in line with Rosenberg, Mr. Barner explained that the District's Impact Fees appear to be only slightly higher than the Rosenberg's and that comparing Rosenberg's fees to the District's is probably not a fair comparison due to the differences in each as a governmental entity and in size. Mr. Barner then reminded the Board about that process for review and approval of such fees, included the required report prepared by Dr. Clay, presentation of such report in public hearings and adoption of such report and fees. Mr. Barner reminded the Board that the District's Fees are required by law to be reviewed at least every five (5) years and that such review is about two (2) years away. The Board concurred that no such action was required at this time.

**10. Engineer's Report.**

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

Dr. Clay then updated the Board regarding the proposed 27,000 square-foot Arise Sports Complex to be constructed at the Brooke Hotel (the "Complex"). Dr. Clay reminded the Board that the developer needed to present the District with plans for two (2) separate meters, and had done so. Dr. Clay stated that he was satisfied with the plans presented. Dr. Clay further stated that he has ensured the plans for the Complex contain language alerting the developer to the District's policy regarding inspection of facilities by the District prior to provision of services. Upon a **motion** by Director Alardin, seconded by Director Glover, after full discussion and four (4) Directors present voting aye, and Director Green abstaining, the Board approved the plans for the Complex and authorized work on the project to proceed.

Next, Dr. Clay presented a revised Capacity Report for O'Reilly Auto Parts Store at 341 F.M. 359 South. Upon a **motion** by Director Alardin, seconded by Director Glover, after full discussion and four (4) Directors present voting aye, and Director Green abstaining, the Board approved the Capacity Report.

Dr. Clay next reported with an update on the status of a development by Cessac, explaining that he had received revised drawings, but said drawings were still not satisfactory. Mrs. Pierre stated she had also informed Cessac that the drawings would need to be revised again.

Regarding the pending project for CR Pallets, Mrs. Pierre reported that CR Pallets had submitted an application for service to an existing building within the District and that she would forward such application to Dr. Clay for review.

Dr. Clay next updated the Board regarding the status of Fajardo Park Project located at 3607 12<sup>th</sup> Street. Dr. Clay stated that the developer was a steel recycling business. Mrs. Pierre reported that the developer of the project had submitted an application for service. Dr. Clay added that he would require revised drawings for the project.

Dr. Clay then updated the Board regarding the Alley Force Main Project. Dr. Clay reported that there was no progress on this project since the previous month's meeting, and that work was still in progress mapping out existing facilities. Mr. Taylor stated he would send an email with more information to Dr. Clay.

**11. Contract for Internet and Communication Services.**

Mrs. Pierre presented quotes for internet and phone services from Consolidated Communications and Comcast. Mrs. Pierre stated that she would get a revised quote from Comcast. The Board requested that the matter be tabled and discussed at the next meeting.

**12. Review Matters Involving Administration/Personnel, Including Status of Payment to Employees During COVID-19.**

Ms. Garza next reminded the Board that it previously authorized additional compensation of \$1.00 per hour to the District's full-time employees beginning on March 17, 2020, and continuing until July 1, 2020. Mrs. Pierre further reminded the Board that it agreed to review authorization of such additional compensation every 30 days. Upon a **motion** by Director Green, seconded by Director Penrice-Kelley, after full discussion and all Directors present voting aye, the Board authorized continued payment of additional compensation of \$1.00 per hour to the District's full-time employees for the next 30 days due to COVID-19.

**13. Approval of Training, Conferences, or Committee Meetings.**

Discussion then ensued regarding the Directors' attendance at the Texas 811 Damage Prevention Summit to be held in Denton, Texas from February 8 through 10, 2021. Upon a **motion** by Director Green, seconded by Director Penrice-Kelley, after full discussion and all Directors present voting aye, the Board authorized Directors' attendance at the conference.

**14. Operator's Report.**

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

Mr. Taylor then presented a bill for a large repair, but noted that the area had started leaking again. Mr. Taylor stated that MOC was able to isolate the leak, and no customers were currently

out of service. Mr. Taylor further reported that MOC was following up with the contractor who performed the repair to determine whether the leak might fall under a warranty issue.


Upon a **motion** made by Director Penrice-Kelley, seconded by Director Alardin, after full discussion and all Directors present voting aye, the Board accepted the Operator's Report.

Mrs. Pierre next reminded the Board that four (4) fire hydrants located within the District are in need of repair, and that she needed Board approval for same to be performed. Upon a **motion** made by Director Alardin, seconded by Director Penrice-Kelley, after full discussion and all Directors present voting aye, the Board authorized the repairs of the fire hydrants.

**15. Adjournment.**

There being no further business to come before the Board, the meeting was adjourned at 8:24 pm.

**PASSED AND APPROVED** on this 02 day of NOVEMBER, 2020.

  
Secretary, Board of Directors