

# BROOKSHIRE MUNICIPAL WATER DISTRICT

## MINUTES OF BOARD OF DIRECTORS SPECIAL MEETING

February 8, 2021

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in special session on the 8<sup>th</sup> day of February, 2021, at 5:00 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:

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 Director Glover attending via telephone conference call, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); and Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"). Also attending via telephone conference call were John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); and John Howell, Jr. of The GMS Group, L.L.C. ("Financial Advisor").

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 5:00 p.m. and declared it open for such business as may regularly come before it.

### **1. Review and Discuss Budget for Fiscal Year Ending ("FYE") August 31, 2021.**

Mr. Haskins presented the District's budget for FYE August 31, 2021, and discussed the revenue budgeted by the District. Extensive discussion ensued regarding certain line items for which the District is over budget.

Director Glover then reminded the Board that as part of the Texas Commission on Environmental Quality's ("TCEQ") sanitary sewer overflow initiative program ("SSO Program"), the TCEQ is requiring that the District correct certain deficiencies in its wastewater collection systems by September 1, 2021. Discussion next ensued regarding the District's operating reserve fund and the amount that will need to be budgeted in order to complete the projects related to the SSO Program. Mr. Haskins explained that he recommends that the District maintain its operating reserve fund in an amount equivalent to 75% of its total annual operation and maintenances expenses; however, the District currently has less than \$100,000 available in such fund. Mr. Haskins went on to explain that while the District has over \$900,000 held in such account, \$630,000 of such amount is a deposit received from Brookwood Communities

("Brookwood"), which is allocated pursuant to a contract between Brookwood and the District for funding the construction of a water line to serve Brookwood. Mr. Haskins further explained that \$220,000 of such fund consists of customer deposits, which cannot be utilized for District projects. Director Glover stated that the District's available funds are not sufficient to fulfill the District's requirements under the SSO Program and added that the District will need to secure funding to complete such requirements. Mr. Howell stated that he does not believe that the District needs to borrow money to complete the requirements of the SSO Program if it is able to amend its budget to reallocate certain funds to the projects that complete such requirements.

Mr. Haskins further explained that the District's only source of income is revenue obtained from customers' payments for service and fees paid by customers, and then suggested that the Board consider raising its rates for water and sewer services in the future to ensure that the District earns enough revenue to continue providing adequate service to its customers. Mr. Haskins further suggested that the Board authorize a water and sewer revenue analysis to determine whether the District's current rates for water and sewer services are adequate for providing revenues sufficient to pay for the District's expenses in providing such services and increasing the District's operating reserve.

Next, discussion ensued regarding the District's aging infrastructure and budgeting for increased maintenance and repair needs throughout the District.

Discussion then ensued regarding field technician positions available within the District and the amount budgeted to hire new employees. Further discussion ensued regarding the annual compensation to be paid to new field technicians and the amount of additional compensation to be provided to such technicians who obtain Double C licensure. Upon a **motion** by Director Glover, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved payment of an annual salary in the amount of \$50,000.00 to new field technicians who possess a Double C license.

Next, Mr. Haskins reviewed the District's cash flow and stated that he will prepare a five (5) year financial projection based upon such data.

## 2. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 7:24 p.m.

PASSED, APPROVED and ADOPTED this the 5 day of APRIL, 2021.

(DISTRICT SEAL)



*Shirley Williams*  
Secretary, Board of Directors