

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

June 6, 2022

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 6th day of June, 2022, 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:

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

All members of the Board were present, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); Linda Guevara, employee of the District; John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"), via telephone; James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Michael Foley of Riverway Properties ("Riverway"); Justin Wagner of RG Miller Engineering, Inc.; Carlos Bolanos of CR Pallets, Inc. ("CR Pallets"); and Marco Gamez of MR & J Properties, LLC ("MR & J").

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 6:02 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 May 9, 2022. Upon a **motion** by Director Connor, seconded by Director Whitaker, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of May 9, 2022.

3. Bookkeeper's Report.

Mr. Haskins then presented the Bookkeeper's Report, a copy of which is available upon request. Mr. Haskins reviewed the District's budget for the Fiscal Year Ending August 31, 2022 and the year to-date expenses incurred by the District.

Mr. Haskins noted that the first (1st) page of the Bookkeeper's Report now includes a line item for the Interest and Sinking Fund account established for the District's Series 2019A and 2019B Bonds that were purchased by the Texas Water Development Board ("TWDB").

Mr. Haskins next reported that the District issued a reimbursement to the developer of the Pilot Travel Center for a deposit paid by such developer. Mr. Haskins further reported that such reimbursement is not included on the check register contained in the Bookkeeper's Report because it was issued today.

Mr. Haskins then discussed the Texas Unclaimed Property Report and explained that such report is required to be filed with the State Comptroller's Office ("Comptroller") annually regarding customer funds that remain unclaimed. Mr. Haskins reported that he will file such report with the Comptroller and added that his office will prepare a check in the amount of \$1,900.41 for such unclaimed property for the Board to approve at the July 11th Board meeting. Mr. Haskins stated that following the Board's approval, such check will be sent to the Comptroller.

Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved: 1) the Bookkeeper's Report, as presented; and 2) authorized filing of the Texas Unclaimed Property Report.

4. 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 such project is almost complete.

Director Green then reported that the City of Brookshire (the "City") is claiming that Texas Pride Utilities, LLC ("Texas Pride"), the contractor for the Water Line Project, is dumping dirt into certain ditches that the City recently repaired. A brief discussion ensued and it was the consensus of the Board that the District investigate such claim further.

Next, Mr. Weishuhn reported that he is coordinating with Texas Pride to complete the remaining punch list items so that such project can be closed out.

Mr. Weishuhn then reported that Texas Pride will submit a change order to the District for an increase in the number of days in the project contract. Mr. Weishuhn explained that such project was delayed due to certain requirements imposed by the Union Pacific Railroad Company.

5. Engineer's Report.

Dr. Clay then presented the Engineer's Report.

Dr. Clay updated the Board regarding the status of the Brookwood Community Project and reported that the pipe bursting work is almost complete. Dr. Clay further reported that the final walk-through inspection will occur this week.

Next, Dr. Clay presented the Capacity Report for service to Off Lease Only ("OLO"), a used-vehicle dealership to be located at 1926 FM 362. Dr. Clay reviewed with the Board a map of such area and noted the various developments in the area around OLO. Dr. Clay reported that the District does not have wastewater capacity to serve OLO due to prior capacity commitments but explained that certain equipment may be installed to minimize the use of such capacity, including holding tanks, timers and sensors. Dr. Clay further suggested that OLO operate a private onsite wastewater collection system that only discharges into the District's wastewater treatment system at night when the amount of wastewater flow throughout the District is lower.

Director Whitaker then expressed a concern that the amount of water requested by OLO is too low to operate OLO's business, since OLO will be using water to clean automobiles. Director Williams next expressed a concern about OLO's use of water and of the District's limited wastewater capacity which will affect neighboring single-family residential properties. A discussion ensued and it was the consensus of the Board to postpone action on this item until more information could be obtained from OLO.

Regarding the agenda item for Jefferson Triangle Marine Company ("Jefferson"), Dr. Clay stated that he believed that the Attorney was working on easements required for the installation of water and wastewater lines to be located on Jefferson's vacant tract of land on Interstate 10 adjacent to the Flying J Travel Center. Mr. Barner explained that he understood that he was to take no action until Jefferson had responded to Dr. Clay's comments to Jefferson's plans for such tract. A brief discussion ensued and Dr. Clay confirmed that Jefferson has not yet responded to such comments.

Dr. Clay next presented the Capacity Report for water and wastewater service to a proposed 155-acre 500-home single-family residential project being developed by Maple Development Group, LLC ("Maple"). Dr. Clay reported that the District, due to such project's location to the District has adequate water and wastewater capacity to serve such development. Dr. Clay next reported that the impact fee owed by Maple will be \$1,671,000. Dr. Clay went on to report that the total cost for the construction of water and sewer line to serve such development is approximately \$2,123,000. Dr. Clay then noted that such development is located outside of the boundaries of the District and will need to be annexed into the District and designated as a defined area within the District.

An extensive discussion then ensued regarding the Capacity Report for Maple and whether wastewater capacity was available from the District's existing WWTP or a potential second (2nd) WWTP within the District that would be located closer to Maple's project and Riverwood Farms. Director Green then asked about the status of the agreement between the District and Riverway for Riverwood Farms. Mr. Barner requested that he be allowed to address the status of such agreement later in the meeting.

Dr. Clay then presented the Capacity Report for service to a proposed commercial development to be located at 3837 10th Street. Dr. Clay reported that such property is owned by MR & J and being developed into an office and manufacturing center for Texas Truck Tarps, LLC. Dr. Clay further reported that the impact fee owed by MR & J will be \$17,994.02. Upon a **motion** by Director Connor, seconded by Director Whitaker, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report for MR & J.

Dr. Clay next discussed the Capacity Report for water and wastewater service to CR Pallets' proposed development project at 34205 Katy Freeway. Dr. Clay reminded the Board that in November 2020, he presented a Capacity Report for service that was requested to two (2) existing buildings that were previously served by a single tap; however, the Board required such developer to install a separate meter in each building. Dr. Clay then reported that CR Pallets now intends to use one (1) such building as a warehouse that will have no water or plumbing and added that CR Pallets is requesting that the Board waive the requirement to install a separate meter in such building. Dr. Clay next presented a written statement from CR Pallets confirming that one (1) building will not receive water service from the District. Upon a **motion** by Director Connor, seconded by Director Green, after full discussion and with all Directors present voting aye, the Board voted to not revise the Capacity Report for CR Pallets and to enforce the requirement for the developer to install a separate meter in each building.

Mrs. Pierre and Mr. Bolanos exited the meeting at this time.

6. Update on Land Use Assumptions, Capital Improvements Plan and Impact Fees.

After a brief discussion, it was the consensus of the Board and Dr. Clay to begin the process of revising the District's Capital Improvements Plan and impact fees.

Mrs. Pierre re-entered the meeting at this time.

7. Update on Financing Agreement Between the District and Riverway for Riverwood Farms.

Mr. Barner reminded the Board that Riverway's proposed development includes approximately 300 single-family residential units, but the District only has wastewater capacity to currently serve 150 such units. Mr. Barner explained that when he drafted the development and financing agreement ("Agreement") between the District and Riverway for the Riverwood Farms, he did not include any section related to the financing of the development of the additional 150 single-family residential units because he understood that development of such additional units was uncertain due to the District's wastewater capacity limitations and the funding, design and construction of a second (2nd) WWTP to serve such units. Mr. Barner explained that he could easily include language related to a 2nd WWTP, but that he understood that Dr. Clay and the engineer for Riverwood were going to discuss the matter further.

Dr. Clay then stated that he reviewed such Agreement and has comments. Mr. Barner requested that Dr. Clay provide RBAP with his comments so that they can be incorporated into the draft of such Agreement.

The Board, Mrs. Pierre, and Messrs. Barner, Foley and Wagner then began discussing a time when all interested parties could meet to discuss the Agreement and development plans in the Greater Brookshire area. It was the consensus of Mrs. Pierre and the Board President that June 22, 2022, at 3:00 p.m. will work best.

8. Operator's Report.

Mr. Taylor then presented the Operator's Report, a copy of which is available upon request. Mr. Taylor reported that a total of 19,406,000 gallons of water was pumped from the District's wells from March 15, 2022 through April 16, 2022.

Mr. Taylor next reported that the District's WWTP operated at 42% capacity during the month of April. Mr. Taylor further reported that 12,298,400 gallons of influent was treated at the WWTP during the previous month. Mr. Taylor went on to report that last month, the District's average daily flow was 409,947 gallons per day ("gpd") and the peak daily flow was 1,394,400 gpd.

Mr. Taylor then updated the Board regarding the status of street repairs within the District.

Mr. Taylor next updated the Board regarding the status of repairs to certain District fire hydrants.

9. Annual Review of Industrial Waste Order ("IWO").

Messrs. Barner and Taylor then explained that the District has an IWO that sets forth standards and criteria for effluent discharges and allows the District to impose certain restrictions and penalties on customers who are in violation of such IWO. Messrs. Barner and Taylor stated that no changes are recommended to the District's IWO at this time. Mr. Taylor then stated that the District's office has not been sending notices to customers who are violating the District's IWO. Mr. Taylor reported that D'Gusto Foods' improper disposal of grease into the District's wastewater collection system is negatively affecting the WWTP. The Board instructed Mrs. Pierre to ensure that D'Gusto Foods continues to be fined for its violations of the IWO and to ensure that all violators of the IWO are fined pursuant to the IWO.

10. Review Proposals for Lease of New Generators at Love's Travel Stop ("Love's") and Cooper Road Water Plant.

Mr. Taylor next reminded the Board that the Texas Commission on Environmental Quality (the "TCEQ") requires that all water plants have a generator on-site. Mr. Taylor further reminded the Board that the District must purchase and install generators at its water plants by June 15th. Mr. Taylor reminded the Board that at the March 7th Board meeting, he stated that the District could enter into a lease agreement for the lease of such generators but that he would need to obtain pricing for the additional infrastructure required to be able to connect a leased generator to the District's facilities. Director Green stated that she and Mr. Taylor have scheduled a videoconference with the TCEQ to discuss the financial burden that such requirement places upon the District and options for complying with such requirement.

11. Annual Review of Ethics Policy.

Mr. Barner then stated that review of the District's Ethics Policy is an annual agenda item. Mr. Barner went on to state that he recommends no changes to such policy at this time and requested that should the Board have any questions regarding such policy, to let him know.

12. Review Matters Involving Administration/Personnel.

Mr. Barner then recommended that the Board discuss rescheduling the Board's regular meetings that are scheduled to be held on federally observed holidays on June 20th (Juneteenth Day) and July 4th (Independence Day). A brief discussion ensued and it was the consensus of the Board to reschedule such meetings to June 27th at 6:00 p.m. and July 11th at 6:00 p.m., respectively.

13. Executive Session.

Pursuant to Chapter 551 of the Texas Government Code, specifically Section 551.071 relating to matters of attorney-client privilege, the President called the Executive Session to order at 8:06 p.m. Present for the executive session were all the Board present, Mrs. Pierre and Mr. Barner.

The President then reconvened the meeting in open session at 8:20 p.m.


14. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 8:29 p.m.

PASSED, APPROVED and ADOPTED this the 11th day of July, 2022.

(DISTRICT SEAL)




Secretary, Board of Directors