

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

February 22, 2022

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 22nd day of February, 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
Shirley Williams	Secretary
Havanaugh Glover	Assistant Secretary
Michael Whitaker, Jr.	Investment Officer

All members of the Board were present, except Director Glover, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); Jennifer K. Wienecke, CPA, of Knox Cox & Co., L.L.P. ("Auditor"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and all persons on the attached attendance roster.

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 6:03 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 Meeting.

The Board then considered approval of the minutes from the regular meeting of January 18, 2022. Upon a **motion** by Director Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of January 18, 2022.

3. Review and Approve Audit Report for Fiscal Year Ended ("FYE") August 31, 2021 (the "FYE 2021 Audit").

Ms. Wienecke then reminded the Board that the FYE 2021 Audit was presented at the February 7th Board meeting, and subsequently, amendments were made to the Auditor's notes regarding such report. Ms. Wienecke presented such amended notes and responded to questions from the Board.

4. **Authorize Submittal of Continuing Disclosure Report.**

Mr. Barner next explained that the District has an ongoing obligation to update, on an annual basis, certain financial information, as required by the District's Bond Orders, which information will serve to keep bondholders and other interested parties apprised of the financial status of the District. Mr. Barner then requested the Board's authorization to prepare and file such materials with the appropriate agencies, including the Texas Commission on Environmental Quality (the "TCEQ"), the Texas Water Development Board (the "TWDB") and the Electronic Municipal Markets Access website ("EMMA").

5. **Authorize Submittal of Audit Report for FYE 2021 to the Texas State Comptroller of Public Accounts (the "State Comptroller"), TCEQ and TWDB.**

Mr. Barner discussed submitting the FYE 2021 Audit to the State Comptroller, TCEQ and TWDB.

6. **Authorize Filing of Financial and Tax-Related Information with the State Comptroller pursuant to Texas Local Government Code, Sections 203.062 and 403.0241 for the Special Purpose District Public Information Database ("SPDPID").**

Mr. Barner reported that Texas Local Government Code, Sections 203.062 and 403.0241, requires the annual filing of certain financial and tax-related information by all special purpose districts in the State Comptroller's SPDPID. Mr. Barner noted that such information must be filed with the State Comptroller annually by April 1st or a fine will be incurred.

Upon a **motion** by Director Connor seconded by Director Williams after full discussion and with all Directors present voting aye, the Board: 1) approved the FYE 2021 Audit; 2) authorized submittal of continuing disclosure report with the securities repositories; 3) authorized the Attorney to prepare and file the required continuing disclosure materials with the appropriate regulatory agencies, including the TCEQ, the TWDB and EMMA; 4) authorized the Attorney to file the FYE 2021 Audit with the State Comptroller, TCEQ and TWDB; and 5) authorized the Attorney to file the required financial and tax-related information with the State Comptroller by April 1, 2022.

7. **Adopt Order Determining Ad Valorem Tax Exemptions.**

Mr. Barner presented an Order Determining Ad Valorem Tax Exemptions and reminded the Board that the District has historically granted a residential homestead exemption to any individual who is disabled or is 65 years of age or older in the amount of \$10,000 as provided in Section 11.13(d), Texas Property Tax Code. The Board then considered approval of tax exemptions for the 2022 tax year. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board adopted the Order Determining Ad Valorem Tax Exemptions, a copy of which is available upon request.

8. Adopt Resolution Implementing Penalty for Delinquent 2021 Taxes.

Mr. Barner next presented to the Board a Resolution Implementing Penalty on 2021 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the Resolution Implementing Penalty on 2021 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is available upon request.

9. Adopt Resolution Authorizing Petition Challenging Appraisal Records.

Mr. Barner then presented to the Board a Resolution Authorizing Petition Challenging Appraisal Records, for Claudia Harrison of Waller County, Texas, to represent the District in filing any necessary protests with the Waller County Appraisal District. Upon a **motion** by Director Williams, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the Resolution Authorizing Petition Challenging Appraisal Records, as presented, a copy of which is available upon request.

10. General Manager's Report.

Mrs. Pierre next reviewed with the Board the General Manager's Report, a copy of which is available upon request. Mrs. Pierre reported no incidents of high water usage by customers during the past month.

Mrs. Pierre then discussed the status of various active residential and commercial developments within the District. Mrs. Pierre reported that she continues to reach out to certain developers in order to determine the status of developments for which no activity has occurred recently.

Next, Mrs. Pierre discussed the District's service termination policies pursuant to the District's Rate Order, and explained that a customer whose account is delinquent recently requested that the District prohibit termination of service based upon such customer being disabled. Mr. Barner recommended against establishing a policy or amending the District's Rate Order to bar termination of service to disabled customers. Mr. Barner explained that the District is not subject to certain provisions of the Texas Administrative Code or certain rules of the Public Utilities Commission of Texas that prohibit termination of service to disabled customers. Mr. Barner then recommended that Mrs. Pierre arrange a payment plan with such customer for the payment of the outstanding balance on such customer's account.

Extensive discussion then ensued regarding two (2) customers who requested adjustments to their previous month's water bills. Mrs. Pierre reported that one such customer's water meter was misread by the District and the District has since issued a credit to such customer for the over-billed amount. Mrs. Pierre reported that the second (2nd) such customer had requested that their account be placed on a vacation status; therefore, late fees should not have been assessed against such customer for late payment. Mrs. Pierre further reported that such fees were waived.

Mrs. Pierre then reminded the Board that Ms. Anh Lee requested a refund of her deposit for a property at which she no longer resides. Extensive discussion then ensued regarding whether Ms. Lee's water service was turned off and her meter locked. Mrs. Pierre reported that Ms. Lee claims her meter was locked by MOC. Upon a **motion** by Director Williams, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved issuance of a refund to Ms. Lee in the amount of \$53.01.

11. Attorney's Report.

Mr. Barner then reminded the Board that a public hearing was held on January 18, 2021, regarding the conversion of the District from a Water Control and Improvement District to a Municipal Utility District ("Conversion"). Mr. Barner then reported that pursuant to previous authorization from the Board, RBAP is preparing an application for submittal to the TCEQ requesting approval of the Conversion.

12. Waive Association of Water Board Directors – Texas ("AWBD") Conference Fees.

Mrs. Pierre next reminded the Board that the AWBD 2022 Mid-Winter Conference was held on January 28-29, 2022. Mrs. Pierre reminded the Board that Director Williams registered for such conference and that the registration fee was paid by the District. Mrs. Pierre then reported that Director Williams was not able to attend such conference. In response to a question from Director Williams regarding her responsibility to repay the District for the cost of registration, Mr. Barner explained that pursuant to the District's Ethics Policy, any fees associated with cancellation of conference attendance and/or hotel rooms past the deadline for refund shall be borne by the Director. Mr. Barner then noted that the Board could decide to waive Director Williams' responsibility for repayment to the District of the fees associated with the cancellation of her conference attendance. Upon a **motion** by Director Connor, seconded by Director Whitaker, the Board approved waiving Director Williams' responsibility for repayment to the District of the fees associated with the cancellation of her conference attendance.

Mrs. Pierre then presented a letter from K-3BMI regarding implementation of a new fee structure due to increased business costs.

13. Directors' Reports.

Next, Director Connor reported that Zion Missionary Baptist Church will be formally recognizing the Directors for their service to the District.

Director Williams then reported that a property owner dug a trench from his property towards the street. Director Williams expressed her concern that such property owner may be installing his own service line. It was suggested that such property owner may be digging a ditch to improve drainage on his property. Director Green stated that drainage on such individual's property is an issue for the City of Brookshire to address, not the District.

14. Election Agenda.

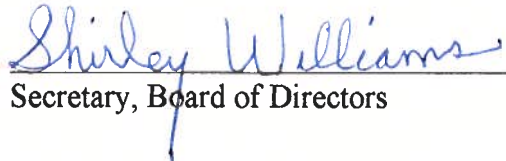
Mr. Barner then reminded the Board that a directors election is scheduled to be held on Saturday, May 7, 2022 (the "Election"), and that such election will be for positions held by Directors Green and Glover, since such positions' terms of office are due to expire. Mr. Barner further reminded the Board that the deadline by which to file an application for a place on the ballot was at 5:00 p.m. on Friday, February 18, 2022. Mr. Barner reported that the District received two (2) applications for Position 1 and one (1) application for Position 2.

Mr. Barner then reminded the Board that Waller County (the "County") confirmed that the District will be able to hold the Election jointly with the County. Mr. Barner stated that the County has not yet provided an Election Services Agreement or Joint Election Agreement for RBAP's review. Mr. Barner further stated that the County has not yet provided RBAP with the estimated cost for the County's conducting of the joint election.

Mr. Barner next discussed potential dates to canvass the Election. Mr. Barner recommended that the Board canvass such Election at its regular meeting scheduled for May 16, 2022. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board voted to authorize the canvassing of the Election on May 16, 2022, at 6:00 p.m.

There being no further business to come before the Board, the Board meeting was adjourned at 6:54 p.m.

PASSED, APPROVED and ADOPTED this the 21 day of March, 2022.


Secretary, Board of Directors

(DISTRICT SEAL)

