

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

March 7, 2022

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 7th day of March, 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"); Linda Guevara, employee of the District; John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"), via teleconference; James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"), via teleconference; Luis Guerrero and Huey Phelps of Texas Pride Utilities, LLC ("Texas Pride"); Michael Foley of Riverway Properties ("Riverway"); Scott Wier and Justin Musser of Railroad Infrastructure & Terminal Development, LLC ("RITD"); Monica A. Garza, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and all persons on the attached attendance roster.

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 6:01 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 February 7, 2022. Upon a **motion** by Director Williams, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of February 7, 2022, as presented.

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 Fiscal Year Ending August 31, 2022 and the year to-date expenses incurred by the District.

In response to a question from Director Green, Mrs. Pierre reminded the Board that the District has historically paid the fees associated with customers' payment for service via credit card payments. Mrs. Pierre explained that the amount of such fee is based on a percentage of the credit card payment made by each customer. Director Green suggested that the Board consider amending the District's Rate Order to recover the amount of such fees.

Mr. Haskins then reported that check nos. 1050-1052, consisting of payments to Weishuhn and Texas Pride, were not included in such report, but were submitted to the Directors for signature.

Mr. Haskins next suggested that the Board schedule a workshop to review the District's financial reports, investment accounts, budget and the year to-date expenses incurred by the District.

Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report, including check nos. 1050-1052, as presented.

4. 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 the replacement of water lines is complete along Cooper Street, Depot Street and Stella Road. Mr. Weishuhn further reported that pressure testing of the new water lines is ongoing on FM 359 and Depot Street.

Mr. Weishuhn then reported that Weishuhn reviewed the invoices submitted by Texas Pride for the work performed in January and February 2022. Mr. Weishuhn stated that such invoices have not yet been submitted to the District for payment.

Mr. Weishuhn next reported that Texas Pride damaged one (1) of the District's water lines during the past month and added that such line was repaired by Texas Pride.

Mr. Weishuhn then reported that Texas Pride removed the piles of debris that Texas Pride crews left in residents' yards during work on the Water Line Project.

Mr. Weishuhn then reported that boring will soon commence for the replacement of water lines that are located under certain portions of Union Pacific Railroad Company's railroad tracks. Mr. Weishuhn stated that Weishuhn and Texas Pride will prepare and disseminate all public notifications required for such boring work.

Mr. Weishuhn next reported that approximately 98 days remain in the District's contract for the Water Line Project and added that Texas Pride's invoices reflect the withholding of a five-percent (5%) retainage. Mr. Weishuhn further reported that such project is 78% complete and is expected to be completed on schedule. Mr. Weishuhn then introduced Mr. Phelps as Texas Pride's project manager for the Water Line Project.

5. Discuss Funding for Generator Upgrade and New Generator at Love's Travel Stop ("Love's").

Dr. Clay stated that he will soon have information to share with the Board regarding Love's and requested that the Board postpone making a decision regarding the purchase of a new generator for such location.

Mr. Taylor reported that the Texas Commission on Environmental Quality (the "TCEQ") requires that all water plants have a generator on-site. Mr. Taylor further reported that the District's Emergency Preparedness Plan, which was submitted to the TCEQ in February, included language related to funding for such generators. Mr. Taylor explained that the District must purchase and install generators at its water plants by June 15th. Mr. Taylor stated that the purchase of a 30-kilowatt generator to be installed at Love's will cost approximately \$100,000.00. Mr. Taylor further stated that a larger generator will be required for the Cooper Road Water Plant in order to operate both of the water wells and additional facilities at such plant. Mr. Taylor stated that it is unlikely that the District will be able to acquire both generators by the deadline of June 15th. Mr. Taylor suggested that Weishuhn may be able to inquire about obtaining funding for such generators through the TWDB; however, such funding may not be available until 2023. In response to a question from Director Green, Mr. Taylor recommended that the District purchase such generators instead of leasing them because leasing them would require additional infrastructure changes to be able to connect a leased generator. Director Green next reminded the Board that the City of Brookshire (the "City") applied for a grant through the Texas Department of Agriculture's Community Development Block Grant Program for the purpose of improving water and wastewater facilities. Director Green further reminded the Board that in the event the City is awarded such funds, the City has offered to provide \$295,000 of such funds to the District, which the District intends to use to fund the purchase of a new generator for the Cooper Road Water Plant. Mr. Taylor then noted that if the District has not provided evidence to the TCEQ that the required generators were installed by June 15th, the TCEQ may issue a Notice of Violation to the District.

6. Engineer's Report.

Dr. Clay presented the Engineer's Report.

Dr. Clay updated the Board regarding the status of the Brookwood Community Project and reminded the Board that such project consists of two (2) separate construction contracts: 1) a contract for construction of the force main and the pipe bursting work, and 2) a contract for the lift station improvements. Dr. Clay reported that construction on such projects should begin by the end of the month.

Dr. Clay then presented a Capacity Report prepared for a Bahama Mama retail store to be located in the Alexander Plaza shopping center at 3905 11th Street. Dr. Clay reported that no impact fee is due from the developer of such retail store since the developer of Alexander Plaza paid the impact fee for the entire shopping center when it was constructed in 2018. Dr. Clay further reported that when Alexander Plaza was constructed, the District's Rate Order did not require individual units located within a shopping center to have separate water meters; however, the Rate Order was subsequently amended to require that one (1) meter be installed per unit located within such shopping centers. Upon a **motion** by Director Whitaker, seconded Director Connor, after full discussion and with three (3) Directors present voting aye, and Director Green abstaining, the Board approved the Capacity Report for the Bahama Mama retail store to be located at 3905 11th Street and approved the requirement for installation of a separate meter.

Dr. Clay then reminded the Board that the Capacity Report prepared for Campbell Concrete's ("Campbell") service request for a proposed concrete ready-mix plant within the District was approved in February 2020. Dr. Clay reported that Campbell is now requesting to install an on-site grinder pump lift station with a two-inch (2") sewer line to connect to the District's wastewater collection system. Dr. Clay further reported that such lift station and line will be installed and maintained by Campbell. Dr. Clay recommended that RBAP prepare an agreement between the District and Campbell establishing that the maintenance of such lift station and sewer line will be the responsibility of Campbell. Mr. Wier introduced himself to the Board and explained that RITD is the engineer for Campbell. Discussion then ensued regarding extending Campbell's sewer line to the District's manhole located in the Texas Department of Transportation's right-of-way. Upon a **motion** by Director Connor, seconded Director Whitaker, after full discussion and with all Directors present voting aye, the Board authorized RBAP to prepare an agreement between the District and Campbell relating to the maintenance of Campbell's on-site grinder pump lift station and sewer line.

Dr. Clay next reminded the Board that he prepared an engineering report related to the conversion of the District from a water control and improvement district to a municipal utility district and stated that such report was provided to RBAP for inclusion in the application for conversion that will be submitted to the TCEQ.

Dr. Clay exited the meeting at this time.

7. Update on Matters Related to Compliance with the Sanitary Sewer Overflow Initiative Program.

Mrs. Pierre then reported that Dr. Clay is reviewing the reports prepared by Magna Flow Environmental ("Magna Flow") regarding smoke testing of the District's sanitary sewer lines. Director Green stated that such review was made difficult by the fact that Magna Flow did not provide an index of their reports, which was required by the District's contract with Magna Flow. Mr. Taylor reported that such reports do not include the exact latitude and longitude location of all leaks detected during such smoke testing, as is required by the contract. Mr. Taylor further stated that the report only contains pictures of each leak site. Mr. Taylor noted that Dr. Clay may not recommend payment to Magna Flow until the reports are compliant with the contract entered into between the District and Magna Flow.

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 16,931,000 gallons of water was pumped from the District's wells from December 16, 2021 through January 15, 2022.

Mr. Taylor next reported that the District's wastewater treatment plant (the "WWTP") operated at 43% capacity during the month of January. Mr. Taylor further reported that 12,886,600 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 415,697 gallons per day ("gpd") and the peak daily flow was 1,216,000 gpd.

Mr. Taylor then reported that MOC is now able to file the District's Discharge Monitoring Reports ("DMR") electronically; however, the TCEQ requires completion of a signatory authorization form authorizing MOC to sign such DMR on behalf of the District.

Mr. Taylor next reported that MOC filed the District's water use survey and water loss audit with the TCEQ last month. Mr. Taylor then reviewed with the Board the findings from such survey and audit. Mr. Taylor reported that in 2021, the District lost 273,374 gallons of water per day as a result of leaks and inaccurate water meters. Mr. Taylor further reported that the District's accountability ratio was approximately 67%, while such ratio was approximately 73% in previous years. Discussion then ensued regarding developing a meter replacement program within the District. Mr. Taylor estimated the cost for MOC to test the accuracy of all the commercial water meters within the District is \$19,000.00. Mrs. Pierre recommended that the Board prioritize repairing leaks in the District's fire hydrants.

Mr. Taylor then presented a proposal in the amount of \$51,929.00 for the repair of five (5) of the District's fire hydrants. Mr. Taylor stated that none of the fire hydrants to be repaired have isolation valves, which will require MOC to turn off the water to the entire District in order to repair such hydrants. Mr. Taylor recommended that such work be performed overnight to minimize customers' service disruption. Mrs. Pierre reported that the cost for repair of one (1) such hydrant will be billed to Comcast since such hydrant was damaged when Comcast's crew illegally connected to such hydrant. Mrs. Pierre further reported that the fire hydrant located in front of Saturn Machine, Inc. is leaking and added that she requested a quote from MOC to repair such hydrant. Mrs. Pierre then stated that she requested a quote from MOC for the repair of a sinkhole located within a District easement.

Next, Mr. Taylor discussed MOC's invoice for the previous month and explained that approximately \$32,000.00 of such invoice will be billed to developers for work performed by MOC on behalf of such developers.

Upon a **motion** by Director Connor, seconded Director Whitaker, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report as presented.

9. **Approve Training, Conferences, or Committee Meetings.**

Mrs. Pierre reported that the Association of Water Board Directors – Texas' Spring Breakfast will be held on April 22, 2022. It was the consensus of the Board not to authorize Director attendance at such event.

10. **Attorney's Report.**

Ms. Garza then reminded the Board that RBAP is preparing the financing agreement between the District and Riverway for the Riverwood Farms development. Mr. Foley stated that Riverway will be working with Mr. John Howell and the City to develop a Tax Increment Reinvestment Zone for Riverwood Farms and also to determine the appropriate property tax rates for Riverwood Farms, which is based on the amount of value of development and the costs of facilities to service such development.

Regarding the proposed 2.8841-acre townhome development known as the Brookvista Townhomes and the proposed 10.342-acre townhome development known as the Brookview Townhomes, Ms. Garza reported that RBAP has drafted agreements regarding ownership and maintenance of the water and sewer lines within such developments. Ms. Garza further reported that RBAP is coordinating with the developers to obtain the necessary exhibits to such agreements.

Next discussion ensued regarding scheduling a special meeting at which to review the District's financial statements, investment accounts, budget and the year to-date expenses incurred by the District. It was the consensus of the Board to schedule such meeting for Monday, March 14, 2022, at 1:00 p.m.

11. **Adjournment.**

There being no further business to come before the Board, the Board meeting was adjourned at 7:51 p.m.

PASSED, APPROVED and ADOPTED this the 4 day of APRIL, 2022.


Secretary, Board of Directors

(DISTRICT SEAL)

