

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

October 4, 2021

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 4th day of October, 2021, 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"); John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"); James Weishuhn and Ross Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); and Monica A. Garza, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"). Also attending via telephone conference was Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper").

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 6:05 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 7, 2021. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of September 7, 2021, as presented.

3. Bookkeeper's Report.

Mr. Haskins then presented the Bookkeeper's Report, a copy of which is available upon request.

Mr. Haskins noted there was an increase in the amount of revenue received by the District in the past month due to the District's recently amended water and sewer rates. Mr. Haskins then stated that the District will need to continue to reduce costs in order to establish an adequate reserve fund.

Mr. Haskins next reviewed the District's budget for Fiscal Year Ending ("FYE") August 31, 2021 and the budget items related to maintenance and repairs. Mr. Haskins reported that the District was \$500,000 over budget at the end of the FYE August 31, 2021, due in large part to repair and maintenance costs incurred by the District. Discussion then ensued regarding anticipated repair and maintenance expenses for the FYE August 31, 2022. In response to a comment from Director Green, Mr. Haskins stated that he will provide Director Green with copies of all District invoices and cash flow balances on a weekly basis. Director Green then requested that she and Director Whitaker be copied on all emails regarding the District's investments and finances.

Next, discussion ensued regarding the District's water lines that have been damaged by Texas Pride Utilities, LLC ("Texas Pride") during 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 (the "Water Line Project"). Mrs. Pierre reported that she and Mr. Taylor are compiling a list of all such damaged water lines and the cost expended by the District and MOC to repair same. Mr. Taylor stated that once such list is compiled, an invoice will be provided to Texas Pride demanding reimbursement for the cost of such repairs. Mr. Weishuhn then reminded the Board that pursuant to the construction contract for the Water Line Project, Texas Pride is responsible for the cost of repairs to the District's lines damaged by Texas Pride. Mr. Weishuhn stated that Texas Pride has not damaged any of the District's water lines since September 17th. Director Green requested that Mrs. Pierre and Mr. Taylor include in the invoice to Texas Pride specific details regarding the work required to repair the District's water lines.

Mr. Haskins then reviewed with the Board the Quarterly Investment Report for the fourth (4th) quarter of FYE August 31, 2021.

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

4. Texas Water Development Board Projects.

Mr. Weishuhn next updated the Board on the Water Line Project (Project Information Form No. 62829). Mr. Weishuhn reported that the majority of such water lines have been replaced, and those that have not yet been replaced are at least 50% complete. Mr. Weishuhn further reported that once all water lines have been replaced and connected to the District's system, such lines will be flushed. Mr. Weishuhn went on to report that he requested that Texas Pride provide him a schedule for the completion of such project.

In response to a question from Director Green regarding reimbursement to the District from Texas Pride for the damage to the District's water lines caused by Texas Pride, Mr. Weishuhn

reported that if Texas Pride refuses to reimburse the District for the cost of repairs, the District may need to submit a claim to Texas Pride's surety.

Discussion then ensued regarding the items remaining to be completed on the Water Line Project. In response to a question from Director Green, Mr. Weishuhn confirmed that Weishuhn inspects the water lines installed by Texas Pride before they are buried.

Discussion next ensued regarding instances of Texas Pride's crews leaving construction debris in residents' yards and driving their trucks through residents' yards.

5. Update on Matters Related to Compliance with the Sanitary Sewer Overflow ("SSO") Initiative Program.

Mr. Taylor reported that Magna Flow Environmental ("Magna Flow") has not provided a report to MOC regarding the status of smoke testing the District's sanitary sewer lines, nor has Magna Flow submitted any invoices to the District thus far. Ms. Garza explained that a report is typically provided upon completion of a smoke testing project, and reminded the Board that Magna Flow only recently completed smoke testing of the District's sanitary sewer lines. Ms. Garza stated she would verify if the District's contract with Magna Flow requires periodic reporting.

6. Engineer's Report.

Dr. Clay presented the Engineer's Report.

Dr. Clay next updated the Board regarding the status of the Brookwood Community Project and reminded the Board that such project will consist 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 upgrades. Dr. Clay further reminded the Board that it previously authorized awarding the contract for construction of the force main and the pipe bursting work to T Construction, LLC ("T Construction"). Dr. Clay reported that he has issued a Notice to Proceed to T Construction. Dr. Clay further reported that the lift station upgrades project was re-advertised and he expects to present bids to the Board at the November 1st Board meeting.

Dr. Clay then presented Change Order No. 1 to the construction contract with T Construction and explained that such change order modifies the District's contract with T Construction to remove the requirement to obtain builder's risk insurance. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved Change Order No. 1 to the construction contract with T Construction.

Dr. Clay next presented a Capacity Report for an office-warehouse located at 4613 Fifth Street. Dr. Clay reported that while the use of the property is not changing, an impact fee was never paid by the previous owner and will be due from the applicant, Pyramid Manufacture, in the amount of \$9,673.83. Upon a **motion** by Director Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report for 4613 Fifth Street.

Dr. Clay then presented a Capacity Report for an automotive dealership to be located at 3107 First Street. Dr. Clay reported that the impact fee due from the applicant is \$887.25. Discussion ensued regarding the location of such proposed development in the middle of a residential neighborhood and the zoning issues that may arise when the applicant submits plans for such proposed development to the City of Brookshire (the "City"). It was the consensus of the Board to table further discussion regarding such Capacity Report until the District meets with the City to discuss development applications.

Discussion then ensued regarding the status of conversion of the District from a water control and improvement district to a municipal utility district (the "Conversion"). Ms. Garza stated that RBAP is scheduled to meet with the Texas Commission on Environmental Quality (the "TCEQ") via telephone conference on October 6th to discuss the Conversion.

Next, Dr. Clay presented a Capacity Report for the proposed expansion of a parking lot at 35011 Cooper Road. Dr. Clay reported that the impact fee due from the applicant is \$80.95. In response to a question from Director Green regarding assessment of a fee against the applicant if they use more water than they are approved to use in the Capacity Report, Dr. Clay stated that such applicant can be later charged for such excess water usage. It was the consensus of the Board to table further discussion regarding such Capacity Report until Dr. Clay is able to confirm the location of the proposed development.

Dr. Clay exited the meeting at this time.

7. 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 22,876,000 gallons of water was pumped from the District's wells from July 15, 2021 through August 16, 2021.

Mr. Taylor next reported that the District's wastewater treatment plant ("WWTP") operated at 53% capacity during the month of August. Mr. Taylor further reported that 16,073,000 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 518,484 gallons per day ("gpd") and the peak daily flow was 901,200 gpd.

Mr. Taylor then discussed MOC's findings related to the inspections of various manholes within the District. Mr. Taylor reported that the inspection of such manholes was required by the TCEQ as part of the District's participation in the SSO Program for 2021 and 2022. Mr. Taylor reported that the coordinates of each of the District's manholes was plotted on a map and an electronic version of such map was provided to Mrs. Pierre. Mrs. Pierre stated that the location of leaks in the District's sanitary sewer lines will be marked on such map. Director Green requested that MOC also document all repairs made to such lines. Mr. Taylor then explained that once Magna Flow provides MOC with a report of the smoke testing of the District's sanitary sewer lines, MOC will be able to prioritize the repair of certain portions of such lines in which breaks are located.

Director Green then requested that MOC itemize and include descriptions of any street repairs performed on behalf of the District on MOC's invoice.

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

8. Discuss Joint Meeting with City and Brookshire-Katy Drainage District ("BKDD") to Review Development Procedures.

Discussion next ensued regarding coordinating a meeting with the City and the BKDD regarding each entity's requirements for approval of development applications. Mrs. Pierre reported that Mr. Stan Kitzman, the Superintendent of the BKDD, recommended that each entity send a representative to such meeting to discuss issues with the application process. Mrs. Pierre further reported that she and Director Green will attend such meeting on behalf of the District.

9. Discuss Lease and/or Purchase of District Vehicles.

Director Green reported that she spoke with Mr. Haskins regarding the amount budgeted for the acquisition of District vehicles in the District's FYE August 31, 2022 budget. Director Green further reported that Mr. Haskins recommended that the District postpone purchasing such vehicles for another three (3) to six (6) months.

10. Adopt Order Declaring Surplus Property and Authorizing Sale of Surplus Property.

Mrs. Pierre reported that she is still preparing a list of surplus District property to provide to RBAP for incorporation into such order. Director Connor stated that such surplus property needs to be identified and sold or disposed of as soon as possible.

11. Review Matters Involving Administration/Personnel.

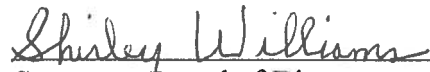
Director Green then reported that Mr. Willis Holmes obtained his class D license. Director Green further reported that the temporary worker who was hired to assist the field is no longer employed by the District. Director Green went on to report that she instructed Mrs. Pierre not to hire any additional temporary employees at this time and to consider reducing the number of temporary employees currently working for the District in order to reduce the amount of funds expended on personnel. Extensive discussion ensued regarding same. Mrs. Pierre noted that she included costs to hire temporary workers in her preparation of the District's budget for the FYE August 31, 2022. Further discussion then ensued regarding the District's budget versus the actual amount of funds held in the District's operating fund. It was the consensus of the Board to cease the hiring of temporary District employees at this time. It was the further consensus of the Board that Mrs. Pierre has the authority to determine whether the District's office can afford to reduce the number of temporary workers.

Next, discussion ensued regarding the process by which MOC reports service calls received by the District after-hours and on weekends to Mrs. Pierre.

12. **Adjournment.**

There being no further business to come before the Board, the Board meeting was adjourned at 8:32 p.m.

PASSED, APPROVED and ADOPTED this the 1 day of NOVEMBER, 2021.


Secretary, Board of Directors

(DISTRICT SEAL)

