

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

July 12, 2021

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 12th day of July, 2021, at 6:00 p.m., in the meeting room of the District, 4004 6th 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 Directors Glover and Whitaker attending via telephone conference call, thus constituting a quorum. Also attending were Linda Guevara, employee of the District; Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and two (2) members of the public. Also attending via telephone conference call were John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"); and James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn").

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 special meeting of May 24, 2021 and the regular meeting of June 7, 2021. 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 special meeting of May 24, 2021 and the regular meeting of June 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 reviewed the District's budget and the year to-date budget items related to maintenance and repairs. Mr. Haskins noted that the District's general operating fund does not contain any unrestricted funds at this time.

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 already has filed such report with the Comptroller, and added that his office will prepare a check for such unclaimed property for the Board to approve at the next Board meeting so that such check can be sent to the Comptroller.

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

4. Texas Water Development Board 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 majority of such water lines have been replaced and pressure tested. Mr. Weishuhn further reported that the installation of the remaining new water lines is complete, all such lines will be disinfected and subsequently connected to the District's system.

Mr. Weishuhn then reported that Texas Pride Utilities, LLC's ("Texas Pride") Pay Application No. 1 in the amount of \$318,869.40 was submitted to Mrs. Pierre and recommended payment of the same. Mr. Weishuhn explained that such pay application does not include pressure testing or disinfection of the water lines because such work is not complete. Mr. Weishuhn further explained that such pay application includes a five percent (5%) retainage. Mr. Weishuhn next reported that Texas Pride's Pay Application No. 2 in the amount of \$116,876.60 is being reviewed by Weishuhn and will be provided to Mrs. Pierre next week. Mr. Weishuhn further reported that such pay application also includes a five percent (5%) retainage.

Next, Mr. Weishuhn reported that Texas Pride is currently performing borings on 3rd Street and 4th Street. Mr. Weishuhn further reported that the pay applications provided thus far by Texas Pride total twenty-five percent (25%) of the value of the contract, while approximately fifty percent (50%) of the new water lines have been installed.

Discussion then ensued regarding any potential damage to customers' driveways caused by construction during the Water Line Project. Mr. Weishuhn explained that any driveways damaged during the course of such project will be repaired upon completion of such project.

Director Whitaker stated that Texas Pride's crews are leaving trash in residents' yards during lunch breaks. Mr. Weishuhn reported that he has already brought such issue to Texas Pride's attention so that it does not happen anymore.

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

Dr. Clay then updated the Board regarding the status of the smoke testing of the District's sanitary sewer lines and discussed the timeframe for completing such project. Dr. Clay reported that Magna Flow Environmental is ready to begin work on such project, but has been unable to do so because of the amount of rainfall received within the last several weeks.

6. Engineer's Report.

Dr. Clay presented the Engineer's Report.

Dr. Clay then discussed the Brookwood Community Project and reminded the Board that such project originally consisted of two (2) separate construction contracts, one (1) for construction of the force main and lift station upgrades and a second (2nd) contract for the pipe bursting work. Dr. Clay further reminded the Board that it previously authorized awarding the two (2) construction contracts for such project to T Construction, LLC ("T Construction"); however, T Construction subsequently withdrew their bid for such project. Dr. Clay reported that following additional discussions with T Construction regarding such project, T Construction has agreed to perform the pipe bursting work and construction of the force main. Dr. Clay further reported that the lift station upgrades will be removed from the contract that originally included both the construction of the force main and lift station upgrades. Dr. Clay stated that the lift station upgrades project will be re-bid.

7. Review Development Packet.

Director Green then discussed the District's policies and procedures for development within the District, including the application for service/annexation, subdivision rules and related documents provided to owners and developers of property (the "Development Packet"). Director Green suggested that the deposit due from developers for the preparation of a feasibility study should be reduced when the land use of the new development is the same or similar to the previous land use of such property. Director Green asked for Dr. Clay's recommendation regarding such suggestion, and Dr. Clay stated that it makes sense to decrease the amount of the deposit due from a developer when there is not a substantial change in land use.

Director Whitaker exited the meeting by telephone and entered the meeting in person at this time.

Director Green then recommended that the developer deposit due for new construction on a previously vacant tract of land should remain the same. Discussion then ensued regarding the amount by which to reduce the deposit due from developers for the preparation of a feasibility study when the land use of the new development is the same or similar to the previous land use of such property. Mr. Barner reported that RBAP will revise the relevant portions of the

Development Packet to include the modified developer deposit requirements and will provide such revisions to the Board for review prior to the July 19, 2021 Board meeting.

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

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 19,732,000 gallons of water was pumped from the District's wells from April 16, 2021 through May 15, 2021. Mr. Taylor further reported that the District's wastewater treatment plant ("WWTP") was operating at 104% capacity during the month of May, whereas such plant typically operates at around 50% capacity. Mr. Taylor explained that such percentage indicates an increase in infiltration into the District's wastewater collection system, likely caused by the excessive rainfall received last month.

Mr. Taylor next reported that 31,355,400 gallons of influent was treated at the WWTP during the previous month. Mr. Taylor further reported that last month, the District's average daily flow was 1,011,000 gallons per day ("gpd") and the peak daily flow was 3,576,800 gpd.

Next, Mr. Taylor reported that the District received a Water Quality Noncompliance Notice from the Texas Commission on Environmental Quality (the "TCEQ") regarding unauthorized discharge of wastewater from the manhole located at 3502 10th Street. Mr. Taylor explained that heavy rains caused approximately 35,000 gallons of wastewater to overflow from such manhole. Mr. Taylor reported that the area in which such wastewater overflowed was disinfected by MOC, and the TCEQ was informed of the same.

Mr. Taylor then reported that there are no street repairs occurring within the District at this time.

Director Connor then discussed an incident in which MOC was repairing a District water line at the request of Mrs. Pierre, and a customer mistakenly thought that MOC was digging on her private property. Extensive discussion then ensued regarding the process by which the District's office staff is to notify the Directors of certain activity occurring within the District so that the Directors have the information necessary to answer questions from customers who approach such Directors.

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.

9. Discuss Sewer Issues at 810 Gresham Avenue.

Mr. Taylor next reported that various property owners have complained about backflow in the area of Gresham Avenue, south of Interstate 90. Mr. Taylor then recommended that the District start the smoke testing project in such area in order to identify any breaks in the District's sanitary sewer lines that may be contributing the backflow in such area. Mr. Taylor reported that the property owner at 810 Gresham Avenue had repairs performed on their private water line, but did not notify the District. Mr. Taylor explained that such customer repaired a broken cleanout, at

which location storm water was entering into such customer's private line and infiltrating the District's wastewater collection system, which exacerbates the backflow issue.

Director Glover exited the meeting at this time.

10. Approve Holiday Pay For Juneteenth.

Director Green explained that Juneteenth was recently declared a Federal holiday and requested that the Board authorize such date as a holiday observed by the District. Discussion ensued regarding amending the District's Personnel Policy and revising the District's schedule of observed holidays to include Juneteenth.

11. Status of Conversion to a Municipal Utility District ("MUD").

Mr. Barner reported that Mrs. Pierre had made him aware of a developer that reached out to the District regarding a potential large-scale residential development and to inquire about reimbursement opportunities available through the District.

Director Glover entered the meeting at this time.

Mr. Barner explained that the conversion of the District from a water control and improvement district to a MUD ("Conversion") would enable the District to enter into agreements with property owners to designate certain tracts of land they own as defined areas, and that such designation would allow registered voters within such defined areas to vote to provide bond and tax authority for the separate taxation of the defined area. Mr. Barner further explained that such authority is necessary to reimburse developers of land within such defined areas for the water, sewer and drainage facilities necessary to serve such areas.

Mr. Barner reminded the Board that it previously authorized Dr. Clay to prepare a report regarding Conversion and stated that he will reach out to Dr. Clay regarding the status of such report.

12. Update on Purchase of Land for Potential Facilities Expansion.

Mr. Barner next reported that he continues working on preparation of an offer letter for the purchase of land to be used for a future expansion of the District's WWTP.

In response to a question from Director Green, Mr. Barner explained that the Governor lifted the suspension of certain provisions of the Texas Open Meetings Act that has allowed governmental entities such as the District to conduct their meetings by telephone or videoconference. Mr. Barner explained that effective September 1, 2021, the District will need to resume conducting its Board meetings in person.

13. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 7:18 p.m.

PASSED, APPROVED and ADOPTED this the 2 day of AUGUST, 2021.

Shirley Williams
Secretary, Board of Directors

(DISTRICT SEAL)

