

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

February 6, 2023

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 6th day of February, 2023, 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
Shirley Williams	Investment Officer
<i>Vacant</i>	Director

All members of the Board were present, except Director Green, thus constituting a quorum. Attending in person were Tonya Pierre ("General Manager"); John Taylor and Chris Sanchez of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Scott Justiss, Shane Flanagan, Reed Oliver and Hugo Romero of Horizon Distributors, Inc. ("Horizon"); Randall Liska of MASN Apartments ("MASN"); and all persons on the attached attendance roster. Also attending via telephone was Dr. Herman Clay, PhD ("Engineer").

The Vice 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 Vice President first opened the meeting to public comment. There being no further public comments, the Vice 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 January 10, 2023. Upon a **motion** by Director Williams, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board approved the minutes from the regular meeting of January 10, 2023, as presented.

3. Texas Water Development Board Projects.

Regarding 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

("Highway 90") and east of FM 362 (Project Information Form No. 62829) (the "Water Line Project"), Mr. Weishuhn reported that the Water Line Project remains approximately 89% complete. Mr. Weishuhn further reported that Texas Pride Utilities, LLC ("Texas Pride") installed a line break on Briarbrook Drive and connected the new water lines to the District's lines along Stella Road.

Mr. Weishuhn then reported that water service was interrupted in the area of Briarbrook Drive but stated that such disruption was caused by a separate contractor working north of the lines on which Texas Pride was working.

Mr. Weishuhn next reported that Texas Pride damaged a water line at First Street and Kinney Street; however, when they attempted to close the valves in order to isolate such line, water continued flowing through such line from an unknown location. Mr. Weishuhn further reported that Texas Pride has not yet been able to connect such line to the District's main line because they have been unable to isolate such line. Mr. Weishuhn stated that he will provide the Board with two (2) proposals from Texas Pride for work related to locating any unidentified connections along Kinney Street.

Mr. Weishuhn next reported that pursuant to the most recent change order extending the completion date for the Water Line Project, the substantial completion date for such project was January 15th. Mr. Weishuhn stated that he will prepare a change order extending the completion date for such project by another 60 days. Mr. Weishuhn further stated that such change order will include a reallocation of funds included in the contract for such project to cover the cost of installing additional line breaks.

4. Engineer's Report.

Dr. Clay then presented the Engineer's Report.

Dr. Clay first reported that the Texas Commission on Environmental Quality (the "TCEQ") approved the District's application to renew the District's Texas Pollutant Discharge Elimination System permit for the wastewater treatment plant ("WWTP").

Dr. Clay next updated the Board regarding the status of the lift station improvements for the Brookwood Community Project. Dr. Clay reminded the Board that construction of such improvements is being delayed until certain electrical equipment is delivered to the contractor. Dr. Clay added that such equipment delay will not cause a delay in the overall development of the Brookwood Community.

Dr. Clay then discussed a multi-family residential development project consisting of 250 units currently in development within the District. Dr. Clay next reviewed the District's policies related to the metering of such type of development and the requirements for receiving wastewater service. Dr. Clay explained that the District's Rate Order provides for individual metering of new developments; however, such type of metering is not possible for multi-family residential developments. Dr. Clay then recommended reviewing the District's policies relating to multi-family connections and meters required for such connections.

Dr. Clay next updated the Board regarding the MASN development located at FM 1489 and South Street. Dr. Clay reminded the Board that MOC located an abandoned District wastewater line within such development and performed pressure testing on such line to determine whether it can be utilized to serve MASN. Dr. Clay further reminded the Board that it is waiting to receive certain information requested by Dr. Clay from the developer in order to approve the Capacity Report for MASN. In response to a question regarding payment of additional funds owed to the District by MASN, Mrs. Pierre explained that MASN has not yet paid the balance owed to the District for the work performed by MOC, but stated that she expects payment to be submitted within the next few days. Mr. Liska then introduced himself to the Board as the architect working on such project on behalf of MASN and stated that based upon his recent conversations with MASN, he agrees that such payment will be submitted to the District in the next few days.

Dr. Clay then updated the Board regarding the revised Capacity Report for the proposed 173-acre 500-lot single-family residential development of Riverwood Farms ("Riverwood"). Dr. Clay reminded the Board that such Capacity Report is being revised to address the available capacity in the District's WWTP necessary to serve Riverwood. Dr. Clay stated that such revisions should be complete by the end of the week.

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

5. Land Use Assumptions, Capital Improvements Plan and Impact Fees, Including Appoint Capital Improvements Advisory Committee (the "Committee").

Mrs. Pierre updated the Board on the status of searching for eligible candidates to serve on the Committee and presented a list of 12 eligible candidates. Mrs. Pierre reported that she reached out to several potential candidates and is waiting to receive responses from them regarding their interest in serving on such committee. Mr. Barner reminded the Board that no less than 40% of the members of the Committee must be comprised of members of the real estate, development and building industries and that the Committee may be comprised of no more than three (3) Directors.

6. 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 20,972,000 gallons of water was pumped from the District's wells from November 15, 2022 through December 16, 2022.

Mr. Taylor next reported that the District's WWTP operated at 24% capacity during the month of December. Mr. Taylor further reported that 6,957,400 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 231,913 gallons per day ("gpd") and the peak daily flow was 579,400 gpd.

Mr. Taylor then updated the Board regarding the failure of District's lift station located near the KOA campground. Mr. Taylor reminded the Board that it previously approved the excavation of the existing lift station site and purchase and installation of a refurbished lift station pursuant to the terms of four (4)-month payment plans for the same.

Mrs. Pierre next reminded the Board that Horizon requested that the District consent to the City of Brookshire's (the "City") issuance a temporary certificate of occupancy because of a lack of water pressure in District's water distribution system near the property. Mrs. Pierre then explained that such certificate will allow Horizon to operate its business despite such low water pressure. Mr. Oliver introduced himself to the Board and explained that Horizon is a wholesale distributor of irrigation products. Mr. Oliver further explained that Horizon recently entered into a lease in a building located by the Holiday Inn Express on Interstate 10 near Waller Avenue. Mr. Reed reported that Horizon is trying to obtain a certificate of occupancy from the City so that it may operate its business in such building. Mr. Reed then explained that Horizon was informed by the City that a ten-inch (10") fire suppression water line was required to be constructed on such property; however, an eight-inch (8") line was constructed. Mr. Reed further explained that such eight-inch (8") line will be connected to the District's existing six-inch (6") water line. Mr. Barner then clarified that the District and the City are unrelated entities and added that a certificate of occupancy is required by the City, not the District. Mr. Reed stated that the City is requiring Horizon to obtain consent from the District before the City will issue such certificate to Horizon. Mr. Taylor next stated that District's water system is currently unable to provide adequate pressure to meet the City's requirements for a fire suppression system. Mr. Taylor further stated that MOC will perform flow testing on the District's water system tomorrow to determine whether the pressure has increased since a valve was recently located within the District's water line.

Next, Mr. Taylor recommended pulling and inspecting the well at Water Plant No. 3 as such well is not operating properly. Mrs. Pierre stated that she will coordinate with the District's Bookkeeper to consider the cost estimates for such work and funding of the same.

Mr. Taylor then updated the Board regarding the status of repairs to certain District fire hydrants and manholes.

Upon a **motion** by Director Jackson, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board: 1) accepted the Operator's Report, as presented; and 2) authorized Director Green to make a decision regarding pulling the well at Water Plant No. 3, subject to further discussion with Mrs. Pierre, the Bookkeeper and the Operator.

Mr. Haskins entered the meeting at this time.

7. **Rate Order Amendment.**

Mr. Barner then reminded the Board that the Public Utility Commission ("PUC") established new rules pertaining to customers affected by extreme weather emergencies as defined by Texas Administrative Code Section 24.173(d). Mr. Barner explained that such rules include the prohibition of late fees and termination due to delinquent payment during extreme weather emergencies. Mr. Barner stated that RBAP recommends amending the District's Rate Order to include language in the section related to billing regarding the PUC's new rules. Upon a **motion** by Director Jackson, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved amending the District's Rate Order to include reference to the PUC's rules during extreme weather emergencies.

8. Discuss Developer Process, Charges and Fees.

Mrs. Pierre next requested that the District authorize certain fees to be charged to developers for preconstruction and development meetings held by such developers and Mrs. Pierre and/or the District's field staff. Upon a **motion** by Director Jackson, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved amending the District's Development Policy to include the assessment of a fee against developers in the amount of \$150.00 for each preconstruction and development meeting held.

9. Proposals for Lease of New Generator at Cooper Road Water Plant.

Mr. Taylor next reminded the Board that the TCEQ requires that certain water plants have a generator on-site. Mr. Taylor further reminded the Board that the generator located at the Cooper Road Water Plant is 40-50 years old and is only powerful enough to operate the water well pumps, but not the additional facilities at such plant, including the booster pumps. Mr. Taylor then reported that after communicating with the TCEQ, it was determined that a generator is not required at such water plant because such plant meets certain criteria that exempts such plant from such TCEQ requirement.

Mr. Taylor went on to explain that the Cooper Road Water Plant is able to pump water directly from the well into the District's water distribution system without the use of booster pumps; therefore, it is not necessary for the plant's generator to be able to operate such pumps. Mr. Taylor further explained that the Velasco Water Plant is connected to the same water distribution system as the Cooper Road Water Plant, which provides redundancy for such system; therefore, the TCEQ determined that a generator is not necessary at the Cooper Road Water Plant because the Velasco Water Plant has a generator on-site. Mr. Taylor went on to report that the TCEQ also determined that installation of a generator is not necessary at the Love's Travel Stop because there is only one (1) connection to the District's water distribution system located at such site and because overnight lodging is not available at such location.

10. Letters to Customers Regarding Smoke Testing Results.

Mrs. Pierre reminded the Board that the District previously conducted smoke testing on its wastewater lines in order to address certain deficiencies in its wastewater collection systems, and it was determined that damaged cleanout caps are the primary source of infiltration into such system. Mrs. Pierre further reminded the Board that letters to customers whose cleanout caps are in need of repair were mailed to residential customers on December 2nd. Mrs. Pierre stated that such letters notified customers that if their cleanout caps were not replaced within 30 days, a door tag would be hung on such customers' door and such customers' service would be subsequently terminated if damaged cleanout caps are not replaced. Mrs. Pierre then explained that the contractor who performed the smoke testing provided the District with inaccurate addresses of certain properties where cleanout caps are damaged. Mrs. Pierre further explained that the District's office staff is trying to identify the correct addresses in order to notify the appropriate customers of cleanout cap violations.

11. **Review Matters Involving Administration/Personnel.**

Mrs. Pierre next explained that the regular Board meeting scheduled for February 20, 2023 falls on a District holiday. Upon a **motion** by Director Williams, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board approved rescheduling such regular Board meeting to February 21, 2023, at 6:00 p.m.

12. **Directors' Reports.**

A brief discussion then ensued regarding interns hired as members of the District's office staff.

13. **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, 2023 and the year to-date expenses incurred by the District.

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

14. **Executive Session.**

Pursuant to Chapter 551 of the Texas Government Code, specifically Section 551.071 relating to matters of attorney-client privilege, the Vice President called the Executive Session to order at 7:22 p.m. Present for the executive session were all members of the Board present, Mrs. Pierre, and Mr. Barner.

The Vice President then reconvened the meeting in open session at 7:57 p.m.

15. **Adjournment.**

There being no further business to come before the Board, the Board meeting was adjourned at 8:03 p.m.

PASSED, APPROVED and ADOPTED this the 6th day of March, 2023.

(DISTRICT SEAL)




Secretary, Board of Directors