

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

June 5, 2023

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 5th day of June, 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, thus constituting a quorum. Attending were Tonya Pierre ("General Manager"); John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); Dr. Herman Clay, PhD of Clay & Leyendecker, Inc. ("Engineer"), via telephone; James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Elliot M. Barner, attorney, of Radcliffe Adams Barner PLLC ("Attorney" or "RAB"); and Gary Woods of Thomas Instrument.

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 6:00 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 Meeting.

The Board then considered approval of the minutes from the regular meeting of May 1, 2023. 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 May 1, 2023, 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 the Fiscal Year Ending August 31, 2023 and the year to-date expenses incurred by the District.

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 will file such report with the Comptroller and added that his office will prepare a check for such unclaimed property for the Board's approval upon confirmation of the amount to be escheated to the State. Mr. Haskins stated that following such confirmation and the Board's approval of the check, such check will be sent to the Comptroller.

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

4. **Request for Water and Sewer Fees Refund Due to City of Brookshire ("City") Requirements.**

Mrs. Pierre then presented a letter to the District from the owner of a vacant tract of land located within the District. Mrs. Pierre explained that such property owner paid the District all necessary fees to obtain water and wastewater service from the District; however, due to certain development requirements imposed by the City, including the extension of the street in front of the property, such property owner no longer intends to develop such vacant land. A discussion then ensued. Upon a **motion** by Director Jackson, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved a refund to such property owner for the fees paid to the District for water and wastewater service to the vacant tract of land.

5. **Texas Water Development Board ("TWDB") 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 and east of FM 362 (Project Information Form No. 62829) (the "Water Line Project"), Mr. Weishuhn reported that the Water Line Project is approximately 93% complete.

Mr. Weishuhn then updated the Board regarding old water lines that were isolated and disconnected from the District's water distribution system. Mr. Weishuhn further updated the Board regarding several connections made by Texas Pride Utilities, LLC ("Texas Pride") of the new water lines to certain areas of the District's water distribution system. Mr. Weishuhn reported that last month, MOC made some additional attempts to locate hidden valves through an excavation process called potholing.

Mr. Weishuhn next reminded the Board that the substantial completion date for the Water Line Project was January 15, 2023. Mr. Weishuhn explained that the remaining work to be completed on such project involves connecting certain segments of recently constructed water lines to the District's existing water system and connecting certain service lines to such water lines. Mr. Weishuhn stated that Texas Pride still needs to connect new water lines along Cooper Street, Stella Road, and FM 1489. Mr. Weishuhn then reported that Weishuhn prepared Change Order No. 4, which includes the addition of calendar days in the contract for the Water Line

Project. Mr. Weishuhn stated that such project is expected to be completed by September 30, 2023.

Mr. Weishuhn then reported that Weishuhn is updating the District's as-built drawings to reflect the locations of the new water line connections and the previously hidden valves.

6. Engineer's Report.

Dr. Clay then presented the Engineer's Report.

Dr. Clay first 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 then reminded the Board that DMZ Property, LLC ("DMZ") is requesting approval from the District for the proposed replat of a 12.609-acre tract of land known as The Reserves at Brookshire. Dr. Clay explained that the purpose of such replat is to separate the single tract into one (1) multi-family lot and one (1) commercial lot. Dr. Clay further explained that DMZ was previously instructed to depict the District's easements in the plat; however, DMZ requested that the District first provide documentation evidencing the construction of District facilities within such easements. Dr. Clay stated that such documentation was provided to DMZ last month. Dr. Clay then reported that following approval of such plat, he will perform a review of the developer's land plan to ensure it does not conflict with the requirements contained in the plat.

Upon a **motion** by Director Connor, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board consented to DMZ's replat of The Reserves at Brookshire, subject to confirmation of payment of the impact fees owed to the District by DMZ.

Next, Dr. Clay presented a Capacity Report for Thomas Instrument, the developer of a manufacturing facility located at 3440 First Street. Dr. Clay explained that Thomas Instrument is constructing a 1,250 square-foot expansion of a building located on such property; however, water and wastewater lines will not be extended to serve such expansion. Dr. Clay reported that the impact fee owed to the District by Thomas Instrument is \$877.09. Dr. Clay then reported that the building expansion will not increase the water consumption of Thomas Instrument's development because no additional restrooms will be constructed within such expansion. Mr. Woods confirmed that he submitted to the District the required deposit for Dr. Clay's review of Thomas Instrument's construction plans. Mr. Woods explained that Thomas Instrument must obtain the Board's approval of such plans in order to proceed with obtaining approval from the City. Upon a **motion** by Director Connor, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report for Thomas Instrument.

Dr. Clay then presented a Capacity Report for service to the expansion of an existing office-warehouse development known as Westside Ten, which is located at 814 FM 1489. Dr. Clay reported that additional office space is being constructed on such property. Dr. Clay

reported that there is no tenant for such building; therefore, he cannot determine the amount of water that will be used or the number of water meters necessary to serve such development. Dr. Clay stated that the Capacity Report assumes the entire development will have a single tenant and will require one (1) water meter. Dr. Clay reported that the impact fee owed to the District by the developer is \$85,489.98; however, at the time that the original building was constructed, the developer paid an impact fee of \$87,442.61. Dr. Clay stated that a refund may be due to the developer; however, he recommends that the District hold the impact fee already paid until a tenant submits an application for service, noting that the impact fee may need to be recalculated based upon the land use of the property. Upon a **motion** by Director Jackson, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved the Capacity Report for the Westside Ten development located at 814 FM 1489.

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

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

Mrs. Pierre reported that as previously requested by the Board, she reached out to Messrs. Michael Foley and Hector Ramon regarding serving on the Committee and stated that such gentlemen agreed to serve on such committee. Mrs. Pierre further reported that the remaining committee members will be comprised of Directors Green, Jackson and Williams, with Director Connor serving as an alternate member, as necessary. Upon a **motion** by Director Connor, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board accepted the members of the Committee, as presented.

Mr. Barner then explained to the Board the process of revising the District's Capital Improvements Plan and impact fees.

8. Update on Riverwood Farms Residential Development Project ("Riverwood Farms"), Including Amendment to Development Financing Agreement.

Mr. Barner then presented to the Board a proposed amendment to the Development Financing Agreement for Riverwood Farms and explained that such agreement needs to be amended to clarify that the developer is designing the lift station necessary to serve Riverwood Farms and the force main that connects such lift station to the District's wastewater collection system.

9. 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 23,891,000 gallons of water was pumped from the District's wells from March 15, 2023 through April 16, 2023.

Mr. Taylor next reported that the District's wastewater treatment plant ("WWTP") operated at 42% capacity during the month of April. Mr. Taylor further reported that 12,262,200 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 408,740 gallons per day ("gpd") and the peak daily flow was 1,303,800 gpd.

Mr. Taylor then updated the Board regarding the status of street repairs and fire hydrant repairs within the District.

Mr. Taylor then reported a water line leak along FM 1489 that needs to be repaired. An extensive discussion ensued, and it was the consensus of the Board not to repair such leak at this time because a new water line will be installed within 30 days as part of the Water Line Project.

Mr. Taylor next reminded the Board that it previously authorized C&C Water Services to repair the failing well at Water Plant No. 3. Mr. Taylor further reminded the Board that it previously declared an urgent public necessity in order to repair such well as soon as possible.

Mr. Taylor then reported that he is preparing the District's Asset Management Plan as required by the TWDB when applying for grant funds. Mr. Taylor further reported that such plan must be submitted to the TWDB by August.

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

10. Rate Order, Including Review of Wastewater Control Order.

Messrs. Barner and Taylor then explained that the District has an industrial waste order ("IWO") that sets forth standards and criteria for effluent discharges and allows the District to impose certain restrictions and penalties on customers who are in violation of such order. Messrs. Barner and Taylor stated that no changes are recommended to the District's IWO at this time.

Mrs. Pierre then acknowledged that the District is currently conducting wastewater discharge sampling for only two (2) commercial properties within the District.

11. Compliance with the Sanitary Sewer Overflow ("SSO") Initiative Program, Including Update on Correspondence with Customers Regarding Smoke Testing Results.

Mr. Taylor then reminded the Board that as part of the District's participation in the Texas Commission on Environmental Quality's ("TCEQ") SSO Program, the TCEQ requires that the District address certain deficiencies in its wastewater collection systems by certain annual deadlines. Mr. Taylor reported that by September 1, 2023, the District is required to complete a televised evaluation of certain portions of such system and to complete 30% of the repairs needed to such portions. Mr. Taylor further reported that by such date, the District is also required to begin a televised evaluation of certain other portions of such system and to repair ten (10) of the District's manholes.

Mrs. Pierre next 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 notifying such 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. Mrs. Pierre then discussed the inaccuracy of certain information contained in the smoke testing report provided by Magna Flow Environmental ("Magna Flow"). Mrs. Pierre explained that Magna Flow provided incorrect addresses for approximately half (1/2) of the customers with damaged cleanout caps. Mr. Barner recommended that Mrs. Pierre correspond with Magna Flow to clarify the inaccurate information.

12. Annual Review of Ethics Policy.

Mr. Barner then stated that review of the District's Ethics Policy is an annual agenda item. Mr. Barner went on to state that he recommends no changes to such policy at this time and requested that should the Board have any questions regarding such policy, to let him know. A discussion then ensued regarding advances paid to Directors for expenses incurred while attending conferences, seminars, and/or trainings on behalf of the District. Upon a **motion** by Director Jackson, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved amending the District's Ethics Policy to allow for the issuance of advances paid to the Directors for expenses incurred while attending functions on behalf of the District, subject to such Directors providing the Bookkeeper with receipts for such expenses.

13. Matters Involving Administration/Personnel.

Mrs. Pierre then reported that Mr. Anthony McAnelly provided her with written notice of the withdrawal of his application for appointment to the Board.

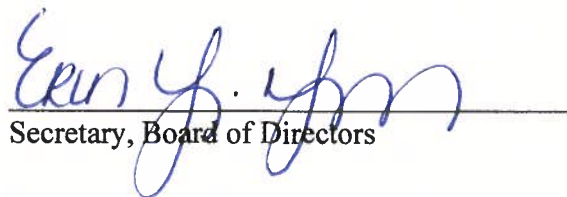
14. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 7:46 p.m.

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

(DISTRICT SEAL)




Secretary, Board of Directors