

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

November 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 November, 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
Erin Jackson	Secretary
Michael Whitaker, Jr.	Assistant Secretary
Shirley Williams	Investment Officer

All members of the Board were present, except Director Whitaker, thus constituting a quorum. Attending in person were Tonya Pierre ("General Manager"); John Taylor 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 and Monica A. Garza, attorneys, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Michael Foley of Riverway Properties ("Riverway"); Randall Liska of MASN Apartments ("MASN"); Heather Guillen of Walter P. Moore Engineering; Mario Gomez of MR & J Properties, LLC ("MR & J"); Colin Kwabi of Gold Cost Rx Pharmacy ("Gold Coast"); and Alan Mund of McKim & Creed, Inc. Also attending via telephone was Dr. Herman Clay, PhD ("Engineer").

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 6:02 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 October 3, 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 October 3, 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 the Fiscal Year Ending August 31, 2023 and the year to-date expenses incurred by the District.

Mr. Haskins next expressed concern regarding the amount of revenue earned by the District each month as compared to the District's monthly expenditures.

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

4. **Engineer's Report.**

Dr. Clay then presented the Engineer's Report.

Dr. Clay reminded the Board that the Brookwood Community Project consists of two (2) separate construction contracts, one (1) of which is a contract for construction of the force main and the pipe bursting work (the "Force Main and Pipe Bursting Project"). Dr. Clay then stated that the Force Main and Pipe Bursting Project is complete; however, T Construction, LLC ("T Construction") is requesting the Board's approval of Change Order No. 2 in the amount of \$15,030.75 for additional work that was necessary relating to the installation of the force main. Dr. Clay explained that the soil excavated during such project was harder than anticipated and required the use of larger equipment and one (1) additional week of work by T Construction's crew to complete. Dr. Clay then stated that he does not recommend that the Board approve such change order because in his opinion, T Construction could have determined the soil density prior to bidding such project. Upon a **motion** by Director Williams, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board voted to deny T Construction's Change Order No. 2.

Dr. Clay next presented the Capacity Report for service to commercial development located at 3411 Front Street, along Highway 90. Dr. Clay reported that the property was sold to a new owner, but the land use of such development will not change. Dr. Clay then stated that no impact fee is owed by the property owner since an impact fee was paid by the previous owner and the land use is not changing. 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 3411 Front Street.

Ms. Garza then updated the Board regarding the service request to Off Lease Only, LLC, a used vehicle detailing shop to be located at 1926 Texas Farm-to-Market ("FM") 362, which is being developed by Spirit Realty LP. Ms. Garza reminded the Board that such development is located outside the boundaries of the District and will need to be annexed prior to receiving service from the District. Ms. Garza reported that RBAP is preparing the necessary documentation for such annexation.

Dr. Clay next reminded the Board that Roland 5, LLC ("Roland") owns 3.25 acres of land located at Interstate 10 and Solomon Lane and that Roland is requesting that the District approve

Roland's subdivision plat, which separates such land into two (2) separate tracts. Dr. Clay reported that Roland provided the District with a survey of such property and detailed design plans. Upon a **motion** by Director Connor, seconded by Director Jackson, after full discussion and with all Directors present voting aye, the Board approved issuance of a No Objection Letter to Roland regarding their subdivision plat.

Dr. Clay then presented the Capacity Report for service to an office/warehouse development to be developed by Aleman Diamond Motors, LLC ("Aleman") at 3601 Tenth Street. Dr. Clay reported that based on the information submitted, Aleman will store pre-owned vehicles at such location but will not wash vehicles on-site. Dr. Clay then stated that the impact fee owed to the District by Aleman is \$2,261.00. Director Green stated that if Aleman uses water at such location to wash the vehicles on-site, the impact fee will need to be recalculated. 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 Aleman.

Next, Dr. Clay reviewed with the Board a Capacity Report that was originally presented to and approved by the Board in June 2022 for service to a commercial development located at 3837 Tenth Street. Dr. Clay reported that such property is owned by MR & J and was developed into an office and manufacturing center for Texas Truck Tarps, LLC. Dr. Clay further reported that the property owner is changing the spelling of the company's name and is proposing to extend the building's canopy by an additional five feet (5'). Dr. Clay then stated that MR & J does not owe any additional fees to the District for such canopy extension.

Dr. Clay then discussed a commercial development located at 4017 Front Street, along Highway 90, in which Gold Coast is a new tenant. Dr. Clay reported that there will be no change in the land use of the property. Mrs. Pierre stated that she will verify whether or not an impact fee was previously paid for such development.

Dr. Clay then updated the Board regarding MASN's development located at FM 1489 and South Street. Dr. Clay reported that MOC located an abandoned District wastewater line within such development. Dr. Clay further reported that MOC must locate the endpoints and pressure test such line to determine whether such line can be utilized to serve MASN. Mr. Taylor stated that such work will cost approximately \$5,000.00 and take a day and a half to complete.

Regarding the Gold Coast development, Mrs. Pierre confirmed that an impact fee for such development had not been previously paid to the District. Dr. Clay stated that he will calculate the impact fee owed for such development and present the same to the Board at the next regular Board meeting.

5. Update on Financing Agreement Between the District and Riverway for Riverwood Farms ("Riverwood").

Ms. Garza then reminded the Board that the Financing Agreement for the proposed 173-acre 500-lot single-family residential development of Riverwood cannot be finalized until the Capacity Report is revised to address certain technical aspects of such development. Dr. Clay reported that he revised such Capacity Report last week and reviewed such revisions with the Board. In response to a question from Director Green regarding the available capacity in the

District's Wastewater Treatment Plant ("WWTP") to serve Riverwood, Dr. Clay reported that the original Capacity Report stated that the District only has wastewater capacity to serve 150 single-family units, and a new WWTP would need to be constructed to serve additional units within such development. Mr. Barner explained that the revised Capacity Report reflects that the additional units can be served through the District's existing WWTP. Dr. Clay then reminded the Board that he previously prepared a Capacity Report for water and wastewater service to a proposed 155-acre 500-home single-family residential project being developed by Maple Development Group, LLC ("Maple") in which it was stated that the District has adequate water and wastewater capacity to serve such development. Dr. Clay stated that the District does not have wastewater capacity to serve both Riverwood and Maple, and added that he expects Maple to withdraw their request for service from the District. Mr. Foley stated that Riverway would like Riverwood's Capacity Report to reflect that the District has adequate water and wastewater capacity to serve all 500 single-family units proposed to be developed within Riverwood.

Dr. Clay and Mr. Foley exited the meeting at this time.

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 20,618,000 gallons of water was pumped from the District's wells from August 16, 2022 through September 15, 2022.

Mr. Taylor next reported that the District's WWTP operated at 43% capacity during the month of September. Mr. Taylor further reported that 12,425,400 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 414,180 gallons per day ("gpd") and the peak daily flow was 1,631,400 gpd.

Mr. Taylor then reminded the Board that recent inspections of the District's water wells determined that the pump in well no. 3 was in need of repair. Mr. Taylor reported that such well was taken out of operation until such repair is complete.

Next, Mr. Taylor reminded the Board that the aeration basin at the WWTP was drained and cleaned. Mr. Taylor then presented a proposal in the amount of \$25,000.00 for the replacement of such aeration basin. Mr. Taylor reported that he solicited several proposals but received only one (1) thus far. Mr. Taylor further reported that he will continue to solicit proposals for the replacement of such aeration basin. Mr. Taylor then recommended that the Board authorize the replacement of such aeration basin at a cost not to exceed an amount determined by the Board.

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

Mr. Barner then reported that a District customer filed a complaint with the Customer Protection Division of the Public Utility Commission ("PUC"). Mr. Barner stated that RBAP will prepare a response to such complaint on the District's behalf.

7. **Review and Approve Toy Drive Drop Off Location.**

Ms. Pierre next reported that the Brookshire-Pattison Lions Club requested to use the District's office as a location at which people can drop off toys for a community toy drive. It was the consensus of the Board to decline such request.

8. **Approve Holiday Incentive for District Staff.**

Director Green then reminded the Board that earlier in tonight's meeting, the Bookkeeper expressed concern regarding the District's income and expenses. It was the consensus of the Board not to authorize a holiday incentive for District employees.

Mr. Weishuhn entered the meeting at this time.

9. **Texas Water Development Board ("TWDB") Projects.**

Regarding the water line replacement project that will replace asbestos clay water lines along 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 remains approximately 89% complete. Mr. Weishuhn further reported that Texas Pride Utilities, LLC ("Texas Pride") did not perform any field work last month.

10. **Review and Approve Change Order No. 3 for TWDB Project No. 62829.**

Mr. Weishuhn explained that the remaining work to be completed on the Water Line Project involves connecting certain segments of recently constructed water line to the District's existing water system and connecting certain service lines to such water lines. Mr. Weishuhn further reported that because isolation valves were unable to be located in various areas of the District, Inserta-valves must be installed in order to complete work in such areas without disconnecting water service to the entire District. Mr. Weishuhn then presented Change Order No. 3 for the installation of Inserta-valves relating to the Water Line Project. Mr. Weishuhn explained that the contract price for such project will not increase because unused funds from other line items will be reallocated to fund the Inserta-valve installation. Mr. Weishuhn further explained that certain work will be removed from the contract for the Water Line Project and completed by the District's staff, including removal of valve boxes and removal of water from abandoned water lines located within the Texas Department of Transportation's right-of-way. Mr. Weishuhn then stated that Change Order No. 3 includes the addition of approximately five (5) months to the contract for the Water Line Project. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and all Directors present voting aye, the Board approved Change Order No. 3 for the Water Line Project.

Regarding the complaint filed by a District customer with the Customer Protection Division of the PUC, Mrs. Pierre reported that such customer is alleging that the District failed to repair leaks in its water lines located on Fourth Street. In response to a question from Mrs. Pierre regarding when such leaks will be repaired by Texas Pride, Mr. Weishuhn reported that it will take Texas Pride four (4) to six (6) weeks to isolate the valves on such lines, or if such valves cannot be isolated, to locate and repairs the leaks.

Messrs. Taylor and Weishuhn exited the meeting at this time.

11. Executive Session.

Pursuant to Chapter 551 of the Texas Government Code, specifically Section 551.071 relating to matters of attorney-client privilege, the President called the Executive Session to order at 7:17 p.m. Present for the executive session were all members of the Board present, Mrs. Pierre, Mr. Barner and Ms. Garza.

The President then reconvened the meeting in open session at 8:08 p.m.

12. Accept Resignation of Director Whitaker.

The Board then discussed an email from Director Whitaker dated November 3, 2022, in which he tendered his resignation from the Board. Mr. Barner recommended that the Board formally accept such resignation. Upon a **motion** by Director Connor, seconded by Director Jackson, after full discussion and all Directors present voting aye, the Board voted to accept Director Whitaker's resignation from the Board.

13. Directors' Reports.

Director Green next reminded the Board that the District previously made a request to the City of Brookshire (the "City") to schedule a joint meeting with the City Council and the Board to discuss development policies and procedures and funds received by the City through the Coronavirus State and Local Fiscal Recovery Funds Program. Director Green further reminded the Board that the District and City intended to hold a joint meeting on August 25th, but the City did not post notice of such meeting; therefore, such meeting was not able to be held. Director Green reported that last week, during a City Council meeting, the City requested that Director Green coordinate the scheduling of such joint meeting. It was the consensus of the Board that Mrs. Pierre will inform the City that the District does not believe conducting such meeting will be productive at this time.

14. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 8:16 p.m.

PASSED, APPROVED and ADOPTED this the 5 day of December, 2022.

(DISTRICT SEAL)



Evan Y. Yarn
Secretary, Board of Directors