

BROOKSHIRE MUNICIPAL WATER DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

May 9, 2022

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 9th day of May, 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
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 Linda Guevara, employee of the District; John Taylor and Ryan Vaughn of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Dr. Herman Clay, PhD ("Engineer"), via telephone conference; Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Heather Guillen of Walter P. Moore Engineering; Louis Molina of GNR Motors; and Justin Musser of Railroad Infrastructure & Terminal Development, LLC.

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 April 4, 2022. A brief discussion ensued regarding such minutes. 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 April 4, 2022, subject to certain corrections.

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 ("FYE") August 31, 2022 and the year to-date expenses incurred by the District.

Mr. Haskins explained that after the District submits its next and final payment to Texas Pride Utilities, LLC for the Texas Water Development Board ("TWDB") Water Line Project (Project Information Form No. 62829), the account for such project will have a zero balance and will be removed from the Bookkeeper's Report. Mr. Haskins further explained that two (2) new accounts will be included on the Bookkeeper's Report to track debt service for TWDB projects to ensure compliance with the bond covenants required for TWDB bonds.

Mr. Haskins then reviewed with the Board the Quarterly Investment Report for the second (2nd) quarter of the FYE August 31, 2022.

Upon a **motion** by Director Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board approved: 1) the Bookkeeper's Report, as presented; and 2) the Quarterly Investment Report for the second (2nd) quarter of the FYE August 31, 2022.

4. **Discuss Funding for Generator Upgrade and New Generator at Love's Travel Stop ("Love's").**

In response to comments previously made by Dr. Clay, Mr. Barner clarified that the land on which Love's is located was annexed into the City of Katy ("Katy") in 2014, which was long after Love's was annexed into the District. Mr. Barner explained that since Love's is in the District, it is the District that has the jurisdiction to serve them and not Katy.

Mr. Taylor next reminded the Board that the Texas Commission on Environmental Quality (the "TCEQ") requires that all water plants have a generator on-site. Mr. Taylor further reminded the Board that the District must purchase and install generators at its water plants by June 15th. Discussion then ensued regarding funding for such generators. Mr. Taylor reminded the Board that at the March 7th Board meeting, he stated that the District could enter into a lease agreement for the lease of such generators, but added that he will need to obtain pricing for the additional infrastructure required to be able to connect a leased generator to the District's facilities.

In response to a question from Mr. Barner, Director Green clarified that GrantWorks, Inc. is providing services to the City of Brookshire (the "City") to obtain grant funding through the Texas Department of Agriculture's Community Development Block Grant Fund, a portion of which is intended to be provided to the District to fund the new generators for the water plants.

Mr. Taylor then added 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.

Upon a **motion** by Director Whitaker, seconded Director Connor, after full discussion and with all Directors present voting aye, the Board authorized MOC to obtain lease proposals for new generators to be installed at Love's and the Cooper Road Water Plant.

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

Mr. Taylor then reminded the Board that as part of the District's participation in the TCEQ's SSO Initiative Program, the District was required to address certain deficiencies in its wastewater collection systems. Mr. Taylor further reminded the Board that the TCEQ required that the District conduct smoke testing on 138,500 linear feet of sewer lines, as well as perform inspections and/or repairs of various manholes, by September 1, 2021. Mr. Taylor stated that the smoke testing reports provided by Magna Flow Environmental satisfy the TCEQ's requirements. Mr. Taylor further stated that such reports were provided to Dr. Clay. Mr. Taylor reported that Dr. Clay and MOC will review such reports and prioritize the necessary repairs on a scale of 1-5. Mr. Taylor further reported that MOC will begin performing the repairs identified as level 5 by September.

6. **Update on Status of Conversion from a Water Control and Improvement District to a Municipal Utility District ("Conversion").**

Mr. Barner reported that the application for Conversion was declared administratively complete by the TCEQ and that he will update them should any questions arise during the TCEQ's review.

7. **Engineer's Report.**

Dr. Clay then presented the Engineer's Report.

Dr. Clay updated the Board regarding the status of the Brookwood Community Project and reported that pipe bursting work has commenced. In response to a question, Dr. Clay stated that no complaints have been reported by residents thus far during the construction of such project. Director Connor noted that the contractor for such project will soon be working near Texas Farm-to-Market ("FM") 359 and reminded everyone that 11th Street is very narrow, which may cause complaints from residents along such street if construction is blocking traffic.

Dr. Clay next presented a revised Capacity Report for four (4) office-warehouse buildings to be located at 3601 Tenth Street, one of which will be converted into a lot on which to store used vehicles. Director Green confirmed that the original developer of such property paid the impact fees owed for such development. Dr. Clay reported that a separate water meter will be installed for each building. Dr. Clay then reminded the Board that the original Capacity Report for such development was approved by the Board in December 2021; however, such report was updated to reflect that a portion of the property will now be used to store used vehicles. Upon a **motion** by Director Connor, seconded Director Williams, after full discussion and with all Directors present voting aye, the Board approved the revised Capacity Report for the proposed four (4) office-warehouse buildings to be located at 3601 Tenth Street.

Dr. Clay then reported that Jefferson Triangle Marine Company ("Jefferson") owns the vacant tract of land on Interstate 10 adjacent to the Flying J Travel Center. Dr. Clay reminded the Board that Jefferson requested that the District extend the water and sewer lines running along the north side of Interstate 10 in order to serve future developments located on such tract. Dr. Clay stated that the District's water and sanitary sewer lines currently do not extend across the entire length of Jefferson's tract. Dr. Clay explained that all construction costs will be borne by Jefferson.

Dr. Clay further explained that easements along Interstate 10 and/or Otto Street will be required for such project. Mr. Barner then requested authorization to prepare an agreement with Jefferson regarding the funding, ownership and maintenance of such water and sanitary sewer lines. Mr. Barner further requested authorization from the Board to prepare an easement for the extension of the District's water and sanitary sewer lines across the remainder of Jefferson's property. The Board requested that Jefferson respond to comments from Dr. Clay prior to preparation of such agreements.

Mr. Barner next reminded the Board that the Capacity Report prepared for Campbell Concrete's ("Campbell") service request for a proposed concrete ready-mix plant within the District was approved in February 2020. Mr. Barner further reminded the Board that Campbell requested permission to install an on-site grinder pump lift station with a two-inch (2") sewer line to connect to the District's wastewater collection system. Mr. Barner then presented a Facilities Maintenance and Operation Agreement between the District and Campbell, which establishes that the installation and maintenance of such lift station and sanitary sewer line will be the responsibility of Campbell. Upon a **motion** by Director Whitaker, seconded Director Connor, after full discussion and with all Directors present voting aye, the Board approved the Facilities Maintenance and Operation Agreement between the District and Campbell.

Next, Dr. Clay reported that the District received a request for service from Off Lease Only ("OLO"), a used-vehicle dealership to be located at 1926 FM 362. Ms. Guevara presented a map of such area and Dr. Clay pointed out the various developments in the area around OLO. Dr. Clay reported that the District does not have wastewater capacity to serve OLO due to prior capacity commitments, but explained that certain equipment may be installed to minimize the use of such capacity, including holding tanks, timers and sensors. Dr. Clay further reported that the Capacity Report for OLO will be presented to the Board at the June 6th Board meeting.

Dr. Clay then reported that he was in the process of submitting the permit renewal application for the District's wastewater treatment plant ("WWTP").

Upon a **motion** by Director Connor, seconded Director Whitaker, after full discussion and with 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 16,136,000 gallons of water was pumped from the District's wells from February 16, 2022 through March 15, 2022.

Mr. Taylor next reported that the District's WWTP operated at 44% capacity during the month of March. Mr. Taylor further reported that 13,191,200 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 425,523 gallons per day ("gpd") and the peak daily flow was 1,552,400 gpd.

Mr. Taylor then explained that the District's office staff is now providing him with the District's monthly water consumption report, which he is able to compare to the amount of water usage measured by customers' meters. Mr. Taylor reported that the District's water accountability

is 88%. In response to a question from Director Whitaker, Mr. Taylor explained the various factors that contribute to the District's low accountability, including leaks and aging meters.

Director Whitaker next reported that while the valves were located on certain water lines connected to previously repaired fire hydrants, such valves were inoperable and need to be replaced. Mr. Taylor reported that such repairs will require the District to issue a boil water notice to customers and recommended a timeframe for repairing such valves and fire hydrants.

Mr. Taylor next updated the Board regarding the status of street repairs within the District at 6th and Velasco Streets and at 3611 2nd Street. Mr. Taylor then stated that Director Williams requested that MOC investigate street repairs occurring at Kenney and 4th Streets.

9. Approve Distribution of 2021 Drinking Water Quality Report.

Mr. Taylor next presented the 2021 Drinking Water Quality Report, formerly the Consumer Confidence Report (the "CCR"), a copy of which is available upon request. Mr. Barner explained the process for distributing the CCR to customers pursuant to the requirements of the Environmental Protection Agency and the TCEQ. Mr. Barner stated that a direct URL link to such CCR must be included in customers' water bills in order to comply with such requirements. Upon a **motion** by Director Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board authorized preparation and distribution of the CCR, subject to the Attorney's review of the same.

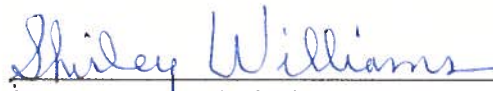
10. Update on Status of Riverwood Farms Financing Agreement.

Mr. Barner reported that he provided for review by the Board and Riverway Properties the Development Financing Agreement for Riverwood Farms on April 11, 2022. Mr. Barner asked everyone to review such agreement so that it may be reviewed with the Board at next the regular Board meeting.

11. Adjournment.

There being no further business to come before the Board, the Board meeting was adjourned at 7:24 p.m.

PASSED, APPROVED and ADOPTED this the 6 day of JUNE, 2022.


Secretary, Board of Directors

(DISTRICT SEAL)



Meeting