

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

April 20, 2020

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 20th day April, 2020, 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 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 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:

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| Edith Penrice-Kelley | President |
| Albert Wilkins | Vice President |
| Stephanie Green | Investment Officer |
| Havanaugh Glover | Secretary |
| Victor Alardin | Assistant Secretary |

All members of the Board were present, except for Director Wilkins, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); and Linda Guevara, employees of the District. Also attending via telephone conference call were Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); and Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP").

The President, after finding that the 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. Update Regarding Backflow Prevention Requirements, Including Status of Letters to Customers.

Mrs. Pierre then updated the Board regarding the status of letters sent to commercial customers informing them of the District's backflow prevention policies and the requirements for informing the District that such customers are compliant with such policies. Mrs. Pierre reminded the Board that such letters have been sent out and that she will update the Board as such customers respond.

3. **Approve Minutes of Prior Meetings.**

The Board then considered approval of the minutes from the regular meeting of March 16, 2020, and the special meeting of March 24, 2020. Mr. Barner explained that before the meeting, Director Green informed him that the minutes from the regular meeting of March 16, 2020, do not accurately reflect her vote against the Board's approval of the Resolution Regarding Public Information Maintained on Privately Owned Devices. Mr. Barner also explained that he reviewed the notes for such meeting and that Director Green is correct. As such, the minutes have been revised accordingly. Next, Director Alardin recommended the correction of certain grammatical errors he discovered in the minutes of the regular meeting of March 16, 2020 and special meeting of March 24, 2020. Mr. Barner made such corrections and explained that he would provide the Board and Mrs. Pierre with redlined versions and clean versions of both sets of minutes. Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the minutes from regular meeting of March 16, 2020, and the special meeting of March 24, 2020, with certain corrections.

4. **General Manager's Report.**

Mrs. Pierre presented the General Manager's Report, a copy of which is available upon request.

Mrs. Pierre next introduced Messrs. Logan Thibodeaux and Claude Leatherwood of Allegiance Bank ("Allegiance"), who then presented information regarding accounts offered by Allegiance, including reserve requirements and service fees for such accounts. Mr. Thibodeaux then reviewed one of the District's monthly statements for an account it holds with Wells Fargo Bank ("Wells Fargo") and compared the rates and fees for a proposed account held with Allegiance. Mr. Thibodeaux next explained that an account with Allegiance will earn a one percent (1%) earnings credit rate and that such credits can be applied to offset Allegiance's service fees and charges. In response to a question by Director Alardin regarding the length of time that such earned credits can be used following accrual, Mr. Thibodeaux clarified that credits do not accumulate from month to month, and that such credits would be applied to the District's account balance each month. Discussion then ensued regarding the amount of funds maintained in the District's Wells Fargo accounts and the interest rate earned on such accounts. Mr. Thibodeaux next explained various line item fees identified on an Allegiance account balance summary. Mr. Thibodeaux further explained that Allegiance has fewer and lower fees than Wells Fargo. Mr. Haskins stated that by transferring the funds from the District's existing Wells Fargo accounts to accounts held with Allegiance, the District will save approximately \$700 to \$800 per month in bank fees. In response to a question by Director Penrice-Kelley regarding the term length of the fixed rates and fees related to any accounts that the District holds with Allegiance, Mr. Thibodeaux stated that such term length is determined by the District's depository contract. Mr. Barner clarified that Mr. Thibodeaux is referring to the District's Depository Pledge Agreement, which the District enters into with all entities with which the District banks. Mr. Barner explained that such agreement pertains to collateralization of funds above the amount of the Federal Deposit Insurance Corporation ("FDIC") limit. Director Penrice-Kelley requested that further discussion on such matter be tabled until the Board's next regular meeting.

Mrs. Pierre then reported that she completed her review of the District's Rate Order and sent her proposed revisions to RBAP. Director Green stated that she would like to see a redlined version of such Rate Order showing the changes made since the District last adopted a Rate Order. Discussion then ensued regarding certain provisions related to backflow inspections performed on backflow prevention devices such as pressure vacuum breakers and non-reduced pressure zone assembly devices. It was the consensus of the Board that RBAP provide Mrs. Pierre with a redlined version of the District's Rate Order and that the Directors pick up hard copies of such Rate Order from the District office for review prior to the next Board meeting.

Next, Director Penrice-Kelley explained that Mrs. Pierre needs to coordinate with RBAP regarding certain questions that she has related to the Release & Indemnification Agreement (the "Release") with the District regarding payment of her accrued and unused Compensatory Time, Vacation Time and Sick Time. Mr. Barner reported that RBAP is still preparing a form of employment agreement between the District and the General Manager that the Board requested RBAP to draft in a prior meeting. A discussion then ensued regarding the Release, and Mr. Barner explained that he is available to answer any questions regarding such Release.

Discussion next ensued regarding professional sanitization of the District's office. Upon a **motion** by Director Green, seconded by Director Glover, after full discussion and with three (3) Directors present voting aye, and Director Alardin voting no, the Board: 1) authorized Mrs. Pierre to obtain quotes for a professional deep cleaning of the District office; and 2) authorized the President to approve such professional cleaning upon review of the quotes obtained by Mrs. Pierre.

5. Approval of Training, Conferences, or Committee Meetings.

Mrs. Pierre reported that the Association of Water Board Directors' annual Spring breakfast event has been postponed until July 24, 2020, and the San Antonio Association for Financial Professional's TEXPO 2020 Conference has been rescheduled to September 2-4, 2020.

6. Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 7:05 p.m.

PASSED AND APPROVED this 18 day of MAY, 2020.


Secretary, Board of Directors