

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

September 3, 2019

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 3rd day of September, 2019, 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:

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 Penrice-Kelley. Also attending were Tonya Pierre ("General Manager"); Herman Clay, PhD ("Engineer"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Mr. and Mrs. James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn"); Elliot M. Barner, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and all persons on the attached Attendance Roster.

1. Public Comment.

The Vice 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 August 5, 2019. Director Green asked whether or not Director Penrice-Kelley was in attendance at such meeting. Mr. Barner responded that his notes indicated that she was in attendance at such meeting but that she was not present for the August 19, 2019 Board meeting. Director Green also asked about her abstention on the July 1, 2019 minutes and Mr. Barner confirmed that she abstained from the vote and did not vote no on approval of such minutes. Director Green then recommended that the Board perform a rollcall for those directors in attendance at each meeting in order to ensure that attendance at such meeting is accurately reflected in the minutes.

Upon a **motion** by Director Alardin, seconded by Director Glover, after full discussion and with all Directors present voting aye, and Director Green abstaining, the Board approved the minutes from the regular meeting of August 5, 2019, as presented.

3. **Status of \$2,275,000 Water and Sewer Revenue Bonds, Series 2019 (the "Bonds").**

Mr. Barner updated the Board regarding the Bonds and reminded the Board that closing on the Bonds and on the Principal Loan Forgiveness Agreement is scheduled for September 19, 2019. A brief discussion then ensued regarding escrow of funds from the Bonds. Mr. Barner explained that funds from the Bonds will be deposited in escrow accounts at Amegy Bank, which will also be the paying agent for such bonds. Mr. Barner recommended that he, Mrs. Pierre and Mr. Haskins discuss details of such accounts further to then determine if any additional accounts need to be set up for depositing funds once they are released from escrow.

4. **Bookkeeper's Report.**

Mr. Haskins then presented the Bookkeeper's Report and Investment Report, copies of which are available upon request.

In response to a question from Director Green regarding an invoice from Katy Janitorial Services, Inc. ("KJS"), Mr. Haskins and Mrs. Pierre explained that such invoice was for cleaning the District Office and that KJS has been cleaning the office since shortly prior to the beginning of the 2019 calendar year.

Upon a **motion** by Director Glover, seconded by Director Alardin, after full discussion and with three (3) Directors present voting aye and Director Green abstaining, the Board approved the Bookkeeper's Report.

5. **Autumn Environmental Conference and Expo (the "Expo").**

Mrs. Pierre presented information related to the Texas Commission on Environmental Quality's ("TCEQ") Conference and Expo. Discussion ensued regarding coverage in the Office for time away and the purpose of such conference. Director Green pointed out that such item should not be on this meeting's agenda and that conference-related agenda items should be placed on the Board's 2nd regular meeting. Mrs. Pierre responded that she added it to such agenda because of the deadline for registration. Upon a **motion** by Director Green to postpone consideration of approval of Mrs. Pierre's attendance at the Expo until the 2nd regular meeting, seconded by Director Wilkins, with a vote of two (2) Directors in favor and two (2) Directors against, the motion failed for lack of a majority. A brief discussion ensued. Upon a **motion** by Director Glover to approve Mrs. Pierre's attendance contingent on the confirmation that the Office is sufficiently staffed while Mrs. Pierre is away, seconded by Director Alardin, with a vote of two (2) in favor and two (2) Directors against, the motion failed for lack of a majority.

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

Mr. Weishuhn updated the Board on the two (2) TWDB projects contracts, or "CIDs" for Wastewater Line and Lift Station Improvements (TWDB Project No. 73797) along Texas FM 1489 (collectively, the "Projects"). Mrs. Weishuhn reported that both

CID01 and CID02 have been completed. Mrs. Weishuhn reported that she is seeking acknowledgment from the Board that such Projects have been completed pursuant to terms of the TWDB loan and the TWDB's procedures. Mrs. Weishuhn next explained that physical and electronic as-built drawings for the Projects have been provided for the District's records. Mrs. Weishuhn reported that the contractor for the Projects has presented the requisite documents evidencing completion of the Projects, including an affidavit that such contractor has paid all its bills related to such Projects. Mrs. Weishuhn also explained that Dr. Clay has certified the Project as completed and recommends their acceptance and that the one (1) year warranty period has begun. Upon a **motion** by Director Glover, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board acknowledged that: 1) the Projects have been constructed pursuant to the drawings; 2) all work on the Projects have been completed as of August 17, 2019; 3) the District has complied with all applicable requirements related to the use of iron and steel produced in the United States and the Davis-Bacon Act; and 4) all necessary Change Orders for the Projects have been approved.

Mrs. Weishuhn then explained that as part of the Projects, the District had to complete a physical sustainability plan for the Projects and commit replacing such items at the end of such Project useful life, which is expected to be 30 years.

Mrs. Weishuhn went on to report that one (1) of Projects was completed under budget, but that the other Project required a change-in-scope due to TWDB's requirements for a change in the elevation of certain components of such project. Mrs. Weishuhn further explained that such change-in-scope required additional time to complete and requested that the Board consider paying Weishuhn the amount of the surplus funds from the Project as compensation for the additional time needed for the Project, in the amount of \$14,711.00. A brief discussion ensued. Upon a **motion** by Director Alardin, seconded by Director Glover, after full discussion and with all Directors present voting aye, the Board approved payment to Weishuhn in the amount of \$14,711.00.

7. **Engineer's Report.**

The Engineer's Report was then presented by Dr. Clay, a copy of which is available upon request.

Regarding the Brookwood Community Project, Dr. Clay reported that he and Mr. Barner are coordinating on the acquisition of easement necessary for the sanitary sewer force main to be located on 11th Street.

Regarding the request for annexation by LTL Group ("LTL") for the Texas Green Business Park ("Texas Green"), Messrs. Clay and Barner explained that Dr. Clay had previously presented to the Board a Capacity Report confirming the feasibility of service to Texas Green and that such report had been approved by the Board. Mr. Barner also explained that upon the Board's approval, RBAP would prepare the requisite annexation petitions and documents for LTL's execution and then present such petitions and documents for the Board's approval at the October 21, 2019 Board meeting.

Upon a **motion** by Director Green, seconded by Director Wilkins, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, including preparation of the necessary annexation paperwork.

8. **Operator's Report.** The Operator's Report was then presented by Mr. Taylor, a copy of which is available upon request.

Upon a **motion** by Director Green, seconded by Director Alardin, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report.

9. **Adjournment.** There being no further business to come before the Board, upon a **motion** by Director Green, seconded by Director Glover, the meeting was adjourned at 7:15 p.m.

ATTEST:



Secretary, Board of Directors



President, Board of Directors