

June 8, 2021

The Board of Directors of Brown County Water Improvement District No. 1 convened in a regular meeting at 4:00 pm, June 8, 2021, in the office of the District at 501 E. Baker, Brownwood, Texas. This meeting was called to order by Mr. Bert Massey; pledge led by Mr. James McMillian; and invocation by Mr. Jimmy Jones. Mr. Ted Simpson and Mr. Johnny Hays were also present. District's Legal Counsel, Mr. Bart Johnson Jr., was present. District staff members present: Mr. John Allen, Mr. Dale Weaver, Mr. Cody Shannon, Mr. Mark Davis, and Ms. Kay Silva.

MINUTES

Board considered minutes from the regular meeting held on May 11, 2021. Mr. Jones moved to approve the minutes as presented, seconded by Mr. McMillian. Motion carried unanimously.

CLAIMS & ACCOUNTS

Claims, accounts & checks issued June 8, 2021, in a total amount of \$124,736.62 consisting of checks 29087-29147 were reviewed and approved by motion by Mr. McMillian, seconded by Mr. Simpson. There being no further discussion, motion carried unanimously.

INVESTMENT REPORT

Investment Report for May 2021 & Revenue and Expenditure Report for the month of April 2021 were considered. After a brief discussion, Mr. Jones moved to approve these reports as presented, seconded by Mr. Simpson. There being no further discussion, motion carried unanimously.

CITIZEN PRESENTATIONS:

There were none.

OATH ADMINISTERED TO
NEW LP. SAMANTHA MORELL

District's Legal Counsel then administered the Oath of Office to Samantha A. Morell, District's newly hired Lake Patrol. Corresponding documents were executed and filed.

DISTRICT FIREARM POLICY
REVISION APPROVED TO
ALLOW ALL DISTRICT
EMPLOYEES WITH LICENSE
TO CARRY PERMITS
THROUGH STATE OF TEXAS
TO CARRY

Joel Hoover of 606 Sleepy Oaks Lane in Early and District's Field Operations Department employee was present to address the Board requesting they reconsider the District's firearm policy that is currently in Place. Current policy states that only District treatment plant employees with current License to Carry Permits are allowed to carry their firearm at the treatment plant. After some discussion, Mr. McMillian moved to change District's policy to permit its employees with License to Carry Permits issued through the State of Texas to carry a firearm while on duty. It was made clear that neither firearms nor ammunition would be furnished by the District. Motion was seconded by Mr. Jones. There being no further discussion, motion carried unanimously. Legal counsel was then instructed to rewrite District's firearm policy to the motion that carried and to be effective today Tuesday June 8, 2021.

FIREWORKS PERMIT ISSUED
WILD DUCK MARINA FOR
SATURDAY JULY 3, 2021

General Manager then informed the Board of a request from Wild Duck Marina for a fireworks permit for the 4th of July festivities at Lake Brownwood. They would take place on Saturday July 3, 2021, from the small island next to McCartney Island. After a brief discussion, Mr. Simpson moved to approve a fireworks permit for Wild Duck Marina on Saturday July 3, 2021, be granted with fireworks to be set off from the small island near McCartney Island at Lake Brownwood, and seconded by Mr. McMillian. There being no further discussion, motion carried unanimously.

BSUD INFORMS BOARD OF
LOAN/GRANT APPLICATION
REQUIRING AMENDMENT TO
WATER SUPPLY CONTRACT
TERM – WILL MAKE REQUEST
AT LATER DATE

Mr. Steve Adams of 19111 CR 219, Brooksmith, Texas, and Brooksmith Special Utility District General Manager, addressed the Board requesting an extension of their current Treated Water Supply Contract in connection with a USDA loan and grant they have applied for. He indicated that a request is not being made this evening after all, but would like to inform the Board of the details regarding the application. The loan requires the term of the water supply contract with the District be equal to the term of the loan, 40 years. The closing date of the loan is expected to be on or about the end of this calendar year, 2021. It has been discovered that the state of Texas may possibly not allow contract terms of over 40 years. BSUD and its engineers have decided to come before the Board at a later date, closer to the expected closing date of the loan, to request amending the maturity date of the current water supply contract with the District to meet the loan and grant terms and not exceed the 40 year limit. After a brief discussion, no action was taken.

LEASE EXTENSION FOR ROCK
HOUSE AT LAKE BROWNWOOD
APPROVED

General Manager addressed the Board regarding lease renewal for the District's Lake Brownwood Residence Lease Agreement, also known as the District's rock house. Annual lease amount is \$6000.00 divided into monthly payments of \$500.00. General Manager recommended extending this lease for another six (6) years. After a brief discussion, Mr. Jones moved to approve extending the above referenced lease for a subsequent six (6) years under the same terms to Brad Tyson, seconded by Mr. Hays. Council was instructed to research and advise on the rules and regulations regarding public bidding to lease District property. As there was no further discussion, motion carried unanimously.

HIRING OF MERRITT, McLANE
& HAMBY P.C. FOR DISTRICT'S
FISCAL YEAR AUDIT AS
CURRENT AUDITOR. BURL
LOWERY CPA, IS RETIRING
FROM AUDIT WORK APPROVED

General Manager then addressed the Board regarding the hiring of a new auditor for the District's 2020/2021 fiscal year audit as the District's current and longtime auditor, Burl Lowery CPA, was retiring from performing audits. District staff contacted multiple auditors recommended by Mr. Lowery, but no one accepted taking the District on to perform fiscal year audits. Other local auditors also declined. The District contracted Merritt, McLane & Hamby, P.C., after learning that Brooksmith Special Utility District and Upper Leon River Municipal Water District in Proctor, Texas, use their services for their annual audits. They accepted taking the District on as a client at the same rate as Burl Lowery CPA. They are based out of Abilene, Texas. The General Manager requested approval of hiring Merritt, McLane & Hamby, P.C., as the District's 2020/2021 fiscal year auditor. Mr. McMillian moved to approve retaining Merritt, McLane & Hamby, P.C., of Abilene, Texas, to conduct the District's audit for the 2020/2021 fiscal year, seconded by Mr. Jones. There being no further discussion, the motion carried unanimously.

REPORT ON GRANT FUNDS
ISSUED TO BROWN COUNTY
AND DISTRICT'S REQUEST
FOR A PART OF THOSE FUNDS
TO PURCHASE GENERATORS
FOR THE WATER TREATMENT
PLANT

General Manager moved on to discuss grant funds issued to Brown County for water and sewer infrastructure. He indicated he met with Bob Contreras, Brown County grant coordinator. A deposit in the amount of 3.6 million has been made through the American Cares Act for critical infrastructure improvements, COVID19 relief or broadband. General Manager approached Brown County regarding the District's possible generator project and the possibility of Brown County delegating a part of those funds to cover the cost of the generators for the water treatment plant. Freese & Nichols continues to work on preparing a final cost estimate to present to the Board. Final decision regarding the District's request for funds would be in the hands of the Brown County Commissioners as they will determine how the funds will be used. He will continue to his efforts to have funds delegated toward the purchase of generators or the water treatment plant expansion in order to serve Brown County. After a brief discussion, no action was taken.

POSSIBLE MICROFILTRATION
PLANT EXPANSION REPORT

General Manager informed that Freese & Nichols has submitted numbers for the purchase of generators, but not for the expansion of the treatment plant in order to increase capacity. A complete report is not available as of yet. After a brief discussion, no action was taken.

ACTIVITIES REPORTS FROM
DISTRICT'S SUPERVISORS

Each department supervisor then came forward and informed the Board of their recent and ongoing projects.

UPDATE ON ZEBRA MUSSELS
AT LAKE BROWNWOOD

General Manager indicated that so far five (5) zebra mussels have been found at Lake Brownwood. It is expected that more will be sited on a daily basis from now on. He continues to work with Freese & Nichols in finding a solution to control zebra mussels that will comply with safety standards for waters in lakes. Will keep the Board updated on a monthly basis on the matter and as the District continues to work with Freese & Nichols on treating and protecting infrastructure.

GENERAL MANAGER REPORT

General Manager proceeded to inform the Board of the following:

1. Current lake level: 1425.60 or 5 tenth below spillway.
Lake level one month ago 1423.30 or 1 foot and 8tenths below spillway.
Month of May: Precipitation 3.37" Evaporation 1.30"
YTD totals: Precipitation 11.14" Evaporation 5.17"
Treatment plant for May2021 Average 4.478mgd
Minimum 3.684mgd
Maximum 5.896mgd

2. District is moving along with its Risk and Resilience plan with Freese & Nichols. A draft copy should be available by the end of June.
3. Looking at developing a buoy policy. Lake residents continue to request placement of buoys in front of their docks: cost, maintenance, upkeep.
4. Kid Fish scheduled to take place Saturday June 12, 2021, at Flat Rock Park.

- 5. Winter storm damage: TWCA continues to process District's claim.
- 6. Working with Bart Johnson, Painter and Johnson Insurance, to find a third-party administrator for the District's 457b and 401a retirement plans. Also, time for a five (5) year review.
- 7. District was informed that the City of Brownwood received an additional electric bill in an excessive amount in connection with the February 2021 winter storm. Upper Leon River Municipal Water District has also received a similar bill in an excessive amount. District has not received anything similar as of yet. Keeping watch.
- 8. General Manager will be out of town July 5-8, 2021.

ADJOURNMENT

At approximately 5:18 p.m., Mr. Jones moved to adjourn, seconded by Mr. McMillian. There being no further discussion, motion carried.

Adjourned:


 Bert Massey, President


 Jimmy Jones, Secretary