

May 10, 2022

The Board of Directors of Brown County Water Improvement District No. 1 convened in a regular meeting at 4:00 pm, May 10, 2022, 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. Johnny Hays. District's Legal Counsel, Bart Johnson, Jr., was present; as well as Mr. Jimmy Jones and Mr. Ted Simpson. District staff members present: Mr. John Allen, Mr. Dale Weaver, Mr. Mark Davis, Ms. Kay Silva and Ms. Alveza Marin.

MINUTES

Board considered minutes from the regular meeting held on April 12, 2022. After a brief review, Mr. McMillian moved to approve the minutes as presented, seconded by Mr. Jones. There being no further discussion, motion carried unanimously.

CLAIMS & ACCOUNTS

Claims, accounts & checks issued May 6, 2022, in a total amount of \$251,482.51 consisting of checks 29842-29909 were reviewed and approved as presented by motion by Mr. Hays, seconded by Mr. Jones. There being no further discussion, motion carried unanimously.

INVESTMENT REPORT

Investment Report for April 2022 & Revenue and Expenditure Report for March 2022 were considered. After a brief discussion, Mr. McMillian moved to approve these reports as presented, seconded by Mr. Simpson. There being no further discussion, motion carried unanimously.

CITIZEN PRESENTATIONS:

There were none.

RESOLUTION CANVASSING

THE RETURNS OF A REGULAR ELECTION HELD ON General Manager then moved to the next item on the agenda regarding canvassing the recent Elections Administrator. Mr. McMillian moved to approve the results sent by the Brown County Elections Administrator. Mr. McMillian moved to approve the following resolution canvassing the returns of the regular director election held May 7, 2022, seconded by Mr. Hays. As there was no further discussion regarding the election results, motion carried unanimously. Resolution is as follows:

MAY 7, 2022 TO ELECT

2 DIRECTORS APPROVED

**A RESOLUTION CANVASSING THE RETURNS OF
A REGULAR ELECTION HELD IN THE
BROWN COUNTY WATER IMPROVEMENT DISTRICT NO. 1,
BROWN COUNTY, TEXAS, MAY 7, 2022
CALLED AND HELD FOR THE PURPOSE OF ELECTING
TWO (2) DIRECTORS AND DECLARING THE RESULTS OF SAID ELECTION**

WHEREAS, at the regular election held in accordance with the notice thereof, and in conformity with the Statutes of the State of Texas, at which election there was submitted to the qualified voters of the Brown County Water Improvement District No. 1, the election of two (2) Directors, and the Brown County Water Improvement District No. 1 Board of Directors after canvassing the results of said election duly held, has found that qualified voters of the Brown County Water Improvement District No. 1 voting in said election did by plurality vote, favor Mr. Brad Simpson and Mr. Bert V. Massey with results as follows:

	Absentee	Early	Election Day	Total	%
Joe Stieber	46	244	136	426	29.73%
Brad Simpson	71	277	162	510	35.59%
Bert V. Massey	83	262	152	497	34.68%

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BROWN COUNTY WATER IMPROVEMENT DISTRICT NO. 1 that the qualified voters of the Brown County Water Improvement District No. 1 voting in a regular election duly called and held for the purpose did on May 7, 2022, elect Mr. Brad Simpson by a vote of 510 and Mr. Bert V. Massey by a vote of 497, the same being a plurality of the votes cast in such election, and the same are hereby declared elected.

BROWN COUNTY WATER IMPROVEMENT DISTRICT #1

/s/ Bert V. Massey, Its President
/s/ Jimmy Jones, Secretary

Upon approval of the election resolution, Mr. Massey then presented Mr. Ted Simpson with a plaque thanking him for his 34 years of dedicated and exemplary service to the District as a Director of the Brown County Water Improvement District No. 1.

OATH OF OFFICE ADMINISTERED
AND STATEMENT OF ELECTED
OFFICER FILED
 District's Legal Counsel then administered the Oath of Office to the newly elected directors: Mr. Brad Simpson and Mr. Bert V. Massey. Statement of Elected Officer and Certificates of Election were executed and filed with the District.

ELECTION OF OFFICERS

Mr. Massey, Board President, opened the floor for nominations for Board of Director officers:

Current Board President is Mr. Bert V. Massey. Mr. Jones then recommended the nomination of Mr. Massey as Board President once again. As there were no further nominations, Mr. McMillian moved to elect Mr. Massey as Board President by acclamation, seconded by Mr. Hays; and as there was not further discussion, motion carried unanimously.

Current Vice President is Mr. James McMillian. Mr. Hays then nominated Mr. McMillian as Board Vice President once again. As there were no further nominations, Mr. Jones moved to elect Mr. McMillian as Board Vice President by acclamation, seconded by Mr. Hays; and as there was no further discussion, motion carried unanimously.

Current Secretary is Mr. Jimmy Jones. Mr. Massey then nominated Mr. Jones as Board Secretary once again. As there were no further nominations, Mr. Massey moved to elect Mr. Jones Board Secretary by acclamation; seconded by Mr. McMillian; and as there was no further discussion, motion carried unanimously.

Board of Directors:	President	Bert Massey
	Vice President	James McMillian
	Secretary	Jimmy Jones
	Directors	Johnny Hays and Brad Simpson

COMMITTEE ASSIGNMENTS APPROVED

Mr. Massey proceeded to District's committee assignments. The current committees being the following:

Finance, Audit and Investment
 Real Estate, Oil and Gas
 Personnel

James McMillian and Jimmy Jones
 Bert V. Massey and Jimmy Jones
 Ted Simpson and James McMillian
 Johnny Hays and Jimmy Jones

Lake Recreation, Water Shed and Environmental
 Mr. Jimmy Jones then asked if the current committee appointments could remain the same. After a brief discussion, Mr. Jones moved that the current committee assignments remain the same, with the exception of Brad Simpson, who will replace Ted Simpson on the Personnel Committee, seconded by Mr. Hays. There being no further discussion, motion carried unanimously.

DATE AND TIME OF OF BOARD MEETINGS SET

Mr. Massey then moved on to address the date and time of District's board meetings. Mr. Hays moved that no changes be made to the current date and time of District's board meetings, seconded by Mr. Jones. There being no further discussion, motion carried unanimously.
 Date and time are as follows:

Second (2nd) Tuesday of every month at 4:00 pm at 501 E. Baker St., Brownwood, TX 76801

RECOMMENDATION TO MOVE DISTRICT'S RETIREMENT PLANS TO LINCOLN FINANCIAL AND STADION MONEY MGMT LLC APPROVED

Bart Johnson Sr. with Painter & Johnson Financial was present once again to address the Board regarding the District's retirement plans: a 457b plan to which District employees invest funds and a 401a discretionary plan fully funded by the District. As a summary: Mr. Johnson was present at the District's January 2022 board meeting recommending the District approve benchmarking its retirement plans as recommended by the Department of Labor which would allow for shopping and comparing with other retirement companies and funds. Mr. Johnson was also present at the District's April 2022 board meeting to discuss his findings and recommendations regarding other retirement companies and funds. The Board also recommended that a companywide meeting be held to discuss that the District is considering moving its retirement plans to an alternate company and why the move is being considered. Mr. Johnson was once again present at this meeting to address the Board, restating his findings regarding other retirement companies and funds and to inform about the companywide meeting that was held on Monday April 25, 2022. He indicated the company that stood out among the rest was Lincoln Financial Group. They bring with them lower fees, a fiduciary protection program sponsored by Morning Star, and a more robust third party money management program with Stadion Money Management LLC. At the recent companywide meeting, Mr. Johnson, representative with Lincoln Financial group, and representative with Stadion Money Management LLC, were present to talk with District employees present at the meeting and answered questions. Employees expressed their approval of the proposed move of District's retirement plans. Mr. Johnson also indicated that additional informational meetings will take place as well as meetings with each individual employee to help them with investments to be where they need to be as they work toward retirement. After a brief discussion, Mr. Jones moved to recommend that Bart Johnson Sr. begin the move of District's retirement plans to Lincoln Financial Group and that the investment decisions be with Stadion Money Management LLC, seconded by Mr. McMillian. There being no further discussion, motion carried unanimously.

REQUEST FROM VULCAN MATERIALS FOR THE PURCHASE OF RAW WATER

Mr. Ted Booth with Vulcan Materials located on US 377 Brady Hwy, Brownwood, Texas, was present requesting to purchase water from the District. General Manager indicated District's Legal Counsel, Bart Johnson, Jr., has drawn up a first draft contract which has been submitted to Vulcan Materials. Mr. Johnny Hays recently toured the grounds of Vulcan Materials acknowledging that they use a great amount of water for dust suppression and for washing their rock product they produce; and they are also amidst planning for the future of the company and preservation of water they use. Contract is for five (5) years and includes use of up to ½ million gallons of water per day on average per month at \$1.02/ thousand gallons of water; penalties for exceeding contracted

amount of water; installation of a back flow prevention device; installation of a meter and shut off valve; installation of an air gap by Vulcan to prevent any possible contamination back into the District's reservoir; and is subject to annual rate review as the District reviews all other rates. No action is required as this is a first draft and is being reviewed by Vulcan Materials.

UPDATE ON BORE AT LAKE BROWNWOOD BY ONCOR / INFORMATION STILL NOT RECEIVED
General Manager informed he continues to wait on information he requested regarding a recent bore done by Oncor for a transmission line between Kelli Lane and Hawk Lake at Lake Brownwood that the District was not informed about. District's Legal Counsel may need to prepare correspondence to speed up fulfillment of the District's request for parameters and details of the bore.

UPDATE: ZEBRA MUSSELS MITIGATION SITE PROJECT
General Manager indicated that zebra mussels continue to be reported, but not in large clusters. Reports are expected to increase as temperatures rise. Work with Freese & Nichols in the design phase of this mitigation project continues. Freese & Nichols will soon begin preparing for the bid process to then be followed by the construction phase.

APPOINTMENT OF AUDITOR FOR 2021/2022 FISCAL YEAR AUDIT APPROVED
After a brief discussion, Mr. Hays moved to approve the appointment of Merritt, McLane & Hamby, P.C., of Abilene, Texas, for the second year in a row as the District's auditor for the fiscal year ending August 31, 2022, at a gross fee not to exceed \$15,000, seconded by Mr. McMillian. There being no further discussion, motion carried unanimously.

LEGAL ACTION TO IMPOUND DOCK ON MCCARTNEY ISLAND
The General Manager then began informing the Board of matters regarding space 31 at McCartney Island. This account is severely delinquent. The current lessee has not responded to any certified correspondence that has been sent via USPS. Due to delinquency, the One Year Dock Mooring Lease Agreement for this space was in default and has been terminated. Lessee lives in Littlefield, Texas; and their police department has been contacted as the District has been trying to make contact with the lessee. The dock has broken loose and is hazardous to the public. General Manager was instructed to consult with District's Legal Counsel to move forward with legal action to impound the dock.

ACTIVITIES REPORTS FROM DISTRICT'S SUPERVISORS
Department supervisors then came forward and informed the Board of their recent and ongoing projects.

GENERAL MANAGER REPORT General Manager proceeded to inform the Board of the following:

1. Current lake level: 1421.7 or 3" and 4 tenths below Spillway level.
Lake level one month ago 4.12.22 1422.2 or 2" and 3 tenths below Spillway level
Lake capacity percentages: Lake Brownwood is currently at 84.6% capacity.
One (1) year ago 91.2%
Six (6) months ago 95.6%
Three (3) months ago 90.7%

Month of April 2022 Not available. Evaporation station is under repair.
YTD totals not available: Precipitation **** Evaporation ****
Treatment plant March 2022 Average 5.852 mgd
Minimum 4.771 mgd
Maximum 6.964 mgd

**Warm weather continues, treatment plant has reached 7.4 mgd

2. Receiving information about doing an autopsy on a couple of modules at the District's treatment plant to open, inspect and clean them. This will help determine when to begin looking for replacements at a possible cost of \$5000-\$10,000 per module to perform autopsy and replace. Modules have a projected life of ten (10) years. Most of the District's modules were put in place in 2008, making them fourteen (14) years old. District treatment plant staff does monthly testing as membrane cleanings are done. Results have been good.
3. Met with Freese & Nichols at Lake Brownwood to help finalize plans for a zebra mussel mitigation site. Preliminary plans are available to review.
4. Mr. Johnny Hays did an interview with KTAB Monday May 2, 2022, regarding zebra mussels.
5. General Manager was asked by KXYL to do a radio interview on current drought conditions and the board meeting, Wednesday May 11, 2022.
6. With new ownership at Sandy Beach, issues have arisen at Flat Rock Park, unruly visitors.
7. Minor oil spill at Lake Brownwood, has been contained and removed.
8. Recognition of special guests: Vulcan Materials representatives and former District Director, Mr. Mark Campbell.

ADJOURNMENT

At approximately 5:06 p.m., Mr. Hays moved to adjourn, seconded by Mr. McMillian. There being no further discussion, motion carried unanimously.

Adjourned:


Bert Massey, President


Jimmy Jones, Secretary