

September 14, 2021

The Board of Directors of Brown County Water Improvement District No. 1 convened in a regular meeting at 4:00 pm, September 14, 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. Bart Johnson; and invocation by Mr. Jimmy Jones. Mr. Ted Simpson, Mr. James McMillian and Mr. Johnny Hays were also present. District staff members present: Mr. John Allen, Mr. Dale Weaver, Mr. Cody Shannon, Mr. Mark Davis, Ms. Kay Silva and Ms. Alveza Marin.

MINUTES

Board considered minutes from the regular meeting held on August 10, 2021. Mr. Jones moved to approve the minutes as presented, seconded by Mr. McMillian. Motion carried unanimously.

CLAIMS & ACCOUNTS

Claims, accounts & checks issued September 10, 2021, in a total amount of \$234,445.14 consisting of checks 29279-29322 were reviewed and approved as presented by Mr. McMillian, seconded by Mr. Simpson. There being no further discussion, motion carried unanimously.

INVESTMENT REPORT

Investment Report for August 2021 & Revenue and Expenditure Report for the month of July 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.

ASSIGNMENT OF SP113 MCCARTNEY ISLAND TO TEXAS BANK APPROVED

General Manager then informed the Board of a request from Texas Bank asking for approval of assignment of lease of space 113 at McCartney to Texas Bank. Current lessees is Ms. Carolyn Day of 3400 Golding Rd, Brownwood, TX 76801; very recently transferred to Ms. Day from Mr. George Hackney of 4201 CR 346, Early, TX 76802. Legal Counsel has reviewed and approved this request. After a brief discussion, Mr. Jones moved to approve the assignment as presented, seconded by Mr. McMillian. There being no further discussion, motion carried unanimously.

REQUEST FROM BROWN COUNTY CONSTABLE REGARDING LEASE OF SPACES 73, 74 & 75, LAKE BROWNWOOD TABLED

Mr. Troy Henderson, Brown County Constable Pct.2; of 201 Rocky Hill Rd., Brownwood, TX 76801; was present to revisit his previous request for approval from the Board regarding spaces 73, 74 and 75 on McCartney Island at Lake Brownwood. His request being that in the event that dock #7087, anchored to spaces 73, 74 and 75 at Lake Brownwood, is levied and sold at the Brown County Court House, the leases of these said spaces be transferred to the buyer of the dock; and said buyer be given the opportunity to bring the dock up to current dock standards with regard to flotation. Mr. Henderson indicated this dock has been levied and documents have been submitted to gain conservatorship over the dock. In addition, he added that the levy can be dropped if a conservatorship is secured. District Legal Counsel has spoken to the creditors' attorney. Mr. Massey stated he was not in favor of giving an advanced approval of the Constable's request. He prefers the District postpone taking action at this time. Then, Mr. Massey moved to table this item until such time the District hears from the courts and creditors' lawyers, seconded by Mr. Hays. Motion carried unanimously.

SALE OF LOTS 24, 24A TO HAYES APPROVED FOR APPRAISED VALUE OF \$135,000

General Manager then addressed the Board regarding the sale of lots 24 and 24a at Peninsula Subdivision currently leased by Mr. Michael J. Hayes and wife, Rebecca A. Hayes under a Multiple Year Residential Lease with the District. Appraisal was requested from Mr. Jason Gray with Capitol Appraisal Services of 3550 Granada Avenue, Dallas, TX 75205. Land Appraisal was submitted to the District with an estimated market value of said property as of August 28, 2021, to be \$135,000. After a brief discussion, Mr. Jones moved to approve the sale of said lots for the

appraised value submitted of \$135,000, seconded by Mr. Hays. There being no further discussion, motion carried unanimously.

EASEMENT OF PARTS OF LATERAL 3G IN EARLY TRANSFER TO CITY OF EARLY APPROVED
 General Manager addressed the Board regarding approval of the transfer of easement of portions of irrigation Lateral 3G to the City of Early. He informed that Lateral 3G, located behind La Botana, TRANSFER TO CITY OF EARLY restaurant in Early and runs to the old Brownwood Cattle Auction on Old May Road, has not been used in approximately ten (10) years. The irrigator that would be affected by this transfer has indicated he has no wishes to use the line for irrigation at all in the future. It does have a large leak. Transferring the easement would be in connection to the City of Early's downtown area project. Both General Manager and Assistant General Manager have gone and looked at the site and recommend the transfer; and allow the City of Early to begin using the part of Lateral 3G transferred by inserting new pipe through the existing old pipe, install a meter and keep the City of Early as an irrigation customer. All of this being at no cost to the District. After a brief discussion, Mr. Hays moved to approve the transfer as presented by General Manager, seconded by Mr. McMillian. There being no further discussion, motion carried unanimously.

PROPOSAL FROM ONCOR FOR INSTALLATION OF ATO SWITCH AT WATER TREATMENT APPROVED IN AMOUNT NOT TO EXCEED 190K
 General Manager moved on to the next item regarding a proposal from Oncor to install an automatic transfer switch at the District's water treatment plant. This would ensure that in the event of harsh winter storms the District's treatment plant, currently set up on two (2) separate electrical grids, would have the ability to be automatically switched to the second electrical grid that the local hospital operates on and would not suffer power loss. This would ensure the District is in line with Senate Bill 3 and those efforts to get all public water systems to have a means of survival for 24 hours without electricity. This block cost estimate submitted to switch the District's water treatment plant to an ATO, Automatic Throw Over (or scheme of restoring power back to normal), is \$190,000. This is an estimate and the actual cost of the project may change when the final design is completed. General Manager informed he is trying to have funds Brown County received through the recent American Cares Act for critical infrastructure improvements delegated to help fund this electrical project. However, the installation of the transfer switch must move forward. After continued discussion, Mr. McMillian moved to approve the proposal from Oncor to install the automatic transfer switch between transmission lines at the District's water treatment plant at a cost to the District not to exceed \$190,000, seconded by Mr. Hays; and Mr. Jones voting against the motion. There being no further discussion, motion carried 4:1.

UPDATE ON GRANT FUNDS FOR WATER AND SEWER INFRASTRUCTURE
 General Manager once again informed that he continues his weekly attendance to commissioners' meetings and his efforts to have grant funds issued to the District by Brown County for water and sewer infrastructure through the American Cares Act for critical infrastructure improvements. He has requested a part of those funds to purchase four (4) generators for the District's treatment plants to use when necessary as the District generates treated water for Brown County Residents. He has also requested funds for the installation of the automatic transfer switch at the District's water treatment plant.

PROPOSAL FROM FREESE & NICHOLS FOR ZEBRA MUSSEL MITIGATION REVIEWED / GENERAL MANAGER AUTHORIZED TO PUT PLAN OUT FOR BID
 General Manager then addressed the Board regarding an Opinion of Probable Construction Cost from Freese & Nichols to mitigate future zebra mussel damages to the District's water infrastructure. General Manager indicated that an engineering plan has been laid out by Freese & Nichols at an approximate cost of \$1,367,677 based on Year 2022 costs. The next step is to put the project up for bid. The District must move forward in order to protect its infrastructure. After discussion, Mr. Hays moved to authorize General Manager to put the Freese & Nichols drafted plan up for zebra mussel control in the District's pipe lines and pumps out for bid, seconded by Mr. McMillian. There being no further discussion, motion carried unanimously.

ONCOR PROPOSAL TO BURY ELECTRIC UTILITY LINES AT HWY 279 BRIDGE AT LAKE BROWNWOOD APPROVED
 General Manager continued on to a proposal from Oncor requesting approval to replace existing above ground electrical lines with underground lines at the Hwy 279 bridge at Lake Brownwood. General Manager explained that the current above ground lines are old and in need of repair. Also, legislature recently mandated that electrical lines have proper clearances. Oncor's proposal is to go underground with electrical lines to satisfy any clearance issues that exist at that location. Two (2) 6" conduits will be bored in order to complete the underground electrical line placement. After brief discussion, Mr. Simpson moved to grant approval as requested by Oncor for placing the electric utility lines underground at the bridge on the Hwy 279 bridge at Lake Brownwood, seconded by Mr. Jones. Motion carried unanimously.

REQUEST FROM JUSTIN JONES AND TAMI JONES TO NOT TERMINATE ONE YEAR DOCK MOORING LEASES ON SPACES 1 & 2 AT MCCARTNEY ISLAND AFTER EXCESSIVE DELINQUENCY APPROVED WITH STIPULATIONS
 General Manager addressed the Board regarding a request from Mr. Justin Jones and Mrs. Tami Jones of 1700 CR 152, Brownwood, TX 76801, regarding the pending termination of One Year Dock Mooring Leases for their leased lots 1 and 2 at McCartney Island due to breach of lease. General Manager explained that this was in process due to extensive delinquency and unclaimed, correspondence statements and certified mail. Annual dock and space statements are generated each December and due and payable in full to avoid assessment of late fees on or before the last day of the following January. Year 2021 annual fees were due and payable on or before January 31, 2021. Staff prepared a timeline for the two accounts that was reviewed. As stated in each One Year Dock Mooring Lease Agreement, breach of lease is cause for lease termination. A partial payment was finally received in July 2021. Mr. Justin Jones came forward to address the board. After addressing the board and accepting responsibility for his lack of timeliness and failure to respond to the District's efforts to collect, he requested he and his wife be given a second chance to correct the situation at hand and assuring it would not happen again in the future. After additional discussion at length, Mr. Massey moved that the District grant a one-time waiver to Mr. and Mrs. Jones for their two (2) leased lots being extensively delinquent; and that the Jones are required to make next year's lease payments before January 1, 2022; and that District staff calculate a reasonable expense incurred by the District in its attempts to collect for their leases; and that the District will then be reimbursed. This motion was seconded by Mr. Jones. There being no further discussion, motion carried unanimously.

ACTIVITIES REPORTS FROM
DISTRICT'S SUPERVISORS

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

GENERAL MANAGER REPORT

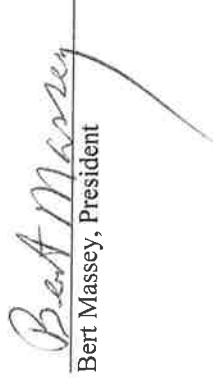
General Manager proceeded to inform the Board of the following:

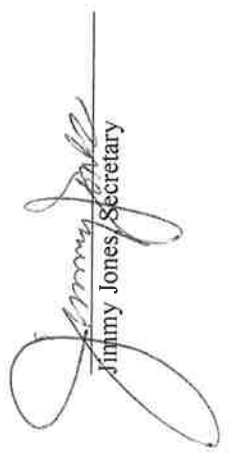
1. Current lake level: 1424.09 or 2 tenths below Spillway level.
Lake level one month ago: 1424.27 or about 7/10 below Spillway.
Month of August: Not available. Evaporation station remains out of service.
YTD totals not available. Following totals are as of the end of June 2021 and exclude July and August 2021 numbers:
Treatment plant for August 2021
Precipitation 11.14"
Evaporation 5.17"
Average 7.462 mgd
Minimum 5.336 mgd
Maximum 9.353 mgd
2. Winter storm damage: Insurance, TWCA, has paid claim, approximately \$27,000.
3. As the helicopter landing pad at the District's lake patrol building is complete, a press conference and landing is being scheduled with Air Evac. Awaiting cooler weather and allowing additional time for the Covid19 virus health situation to slow down.
4. District's Emergency Action Plan required by the Environmental Protection Agency is being updated. Continue to move forward.
5. Training exercises will take place at the Dam in October 2021. Continue to work on details. More information available at next month's meeting.
6. Will begin working with Legal Counsel at beginning paperwork for the removal of docks at Lake Brownwood that are in violation of the encapsulation requirement.
7. Cost to treat water has risen. Therefore, cost of water will rise. ACH cost has doubled this month alone with an increase from \$.28 per pound to \$.56 per pound. In August, District used 42,429 pounds of ACH with a cost increase of approximately \$12,000 per month. The District was informed also that cost of citric acid will increase from \$.92 per pound to \$3.50 per pound. This total cost will rise from approximately \$2,500 per month to approximately \$10,000 per month. Water rates next fiscal year may double to cover the cost and the loss the District will experience in this fiscal year as the 2021-2022 fiscal year budget was approved prior to the assessment of these increases.
8. State Representative Glen Rodgers has contacted General Manager to discuss his participation in a redistricting battle; and would like people to sign up to testify in his behalf. As Mr. Rodgers played a large part in restoring power to the District's water treatment plant in this past February's harsh winter storm, General Manager has agreed to sign up. The next hearing is this Saturday September 18, 2021. The deadline to sign up is Thursday September 16, 2021. A link is available upon request.
9. General Manager will attend a workshop on the District's Emergency Response Plan on September 16, 2021. At 2:30 pm.

ADJOURNMENT

At approximately 5:58 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