

**NOTICE OF PUBLIC MEETING
BRAZOSPORT WATER AUTHORITY**

Notice is hereby given that a Regular Session Meeting of the Brazosport Water Authority will be held at 6:00 p.m. on Tuesday, March 24, 2020, via telephone conference pursuant to Governor Abbott's suspension of certain provisions of the Texas Open Meetings Act. Pursuant to Governor Abbott's order, a recording of the meeting will be available to the public and the agenda packet is attached to this agenda.

Due to the state of emergency and/or local disaster caused by COVID-19 pandemic, the Brazosport Water Authority will exercise its authority to hold the meeting via telephone conference. The call will be broadcast via telephone conference number (832) 917-1510, Code: 296299. The meeting will also be recorded per the requirements of the Texas Open Meetings Act.

In the event you have any difficulty calling into the meeting, please call (979) 236-9156.

At said meeting the Board will deliberate, consider and/or take action on any or all of the following matters:

AGENDA

1. CALL TO ORDER
2. CITIZENS COMMENTS
3. CONSENT AGENDA – APPROVAL OF MINUTES, MONTHLY EXPENDITURES AND FINANCIAL REPORTS
4. GENERAL MANAGER'S REPORT
5. DISCUSS/CONSIDER APPROVAL OF PUMPING AND STORAGE CONTRACT WITH DOW CHEMICAL COMPANY

Ronald Woodruff
General Manager
Brazosport Water Authority

THE BWA BOARD OF DIRECTORS DOES NOT ANTICIPATE GOING INTO EXECUTIVE SESSION UNDER CHAPTER 551 OF THE TEXAS GOVERNMENT CODE AT THIS MEETING UNLESS OTHERWISE PROVIDED HEREIN; HOWEVER, IF NECESSARY, THE BWA BOARD OF DIRECTORS MAY GO INTO EXECUTIVE SESSION AS PERMITTED BY LAW REGARDING ANY ITEM ON THE AGENDA
PLEASE NOTE: ITEMS WILL NOT NECESSARILY BE PRESENTED IN THE ORDER THEY ARE POSTED

**BRAZOSPORT WATER AUTHORITY
REGULAR SESSION
FEBRUARY 25, 2020**

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

NOT APPROVED

BE IT KNOWN that the Board of Directors of the Brazosport Water Authority met in Regular Session on Tuesday, February 25, 2020, in the Brazosport Water Authority Conference Room located at 1251 FM 2004, Lake Jackson, Texas with the following present:

Brazosport Water Authority Board of Directors:

- Angleton – Morris Massingill
- Brazoria – Jesse Knight
- Clute – Joe Damian
- Freeport – Kenny Hayes
- Lake Jackson – Juan Longoria III
- Oyster Creek – Calvin Merriman
- Richwood – Jeremy Fountain

Brazosport Water Authority Staff:

- General Manager – Ronnie Woodruff
- Operations Manager – Wyatt Ringgold
- Construction and Distribution Manager – Larry Nutt
- Office Manager – Kristina Crouch
- Superintendent – Eddie Easterling

Brazosport Water Authority Legal Counsel:

Jason Cordoba

Others:

- Curtis Craig
- Zander Spears

CALL TO ORDER

With a quorum present, Director Longoria called the meeting to order at 6:00 p.m.

CITIZENS COMMENTS

None.

DISCUSS/CONSIDER APPROVAL OF BRAZOSPORT WATER AUTHORITY'S 2018/2019 FINANCIAL AUDIT

Brazosport Water Authority's completed 2018/2019 Financial Audit was presented to the Board of Directors by auditor Curtis T. Craig. The audit findings were that it was a clean report and indicated no discrepancies. Director Damian joined during this session at 6:05 p.m. A motion was made by Director Hayes to approve the 2018/2019 Financial Audit. Director Knight seconded, with a vote of:

Ayes: Massingill, Knight, Damian, Hayes, Longoria, Merriman, Fountain
Nays: None
Absent: None

DISCUSS/CONSIDER APPROVAL OF BRAZOSPORT WATER AUTHORITY PLANT REHABILITATION/ EXPANSION INCLUDING BRACKISH GROUNDWATER DESALINATION PROJECT

Brazosport Water Authority's Construction and Distribution Manager, Larry Nutt, updated the BWA Board of Directors on the current status of BWA plant rehabilitation and expansion including, 2018 Plant Improvements – Contract 1, 2018 Plant Improvements – Contract 2 and Brackish Groundwater Well No. 3.

CONSENT AGENDA - APPROVAL OF MINUTES, MONTHLY EXPENDITURES AND FINANCIAL REPORTS

The Board discussed and reviewed approval of consent agenda items from January 2020. A motion was made by Director Hayes to approve consent agenda items. Director Massingill seconded, with a vote of:

Ayes: Massingill, Knight, Damian, Hayes, Longoria, Merriman, Fountain
Nays: None
Absent: None

GENERAL MANAGER'S REPORT

Items of discussion included:

- a.) Raw Water Supply – Currently the raw water supply is 100% Harris Reservoir. At 6:00 am today, February 25, 2020, the Brazos River at Rosharon elevation was 14.65 feet and flowing 8630 cubic feet per second or 3,873,413 gallons per minute. The Brazos River at Richmond elevation was 17.88 feet and flowing 9100 cubic feet per second or 4,084,364 gallons per minute. The reservoir capacity on the Brazos River Basin today, February 25, 2020, is 92.8% full or 3,280,878-acre feet. The reservoir capacity of the Brazos River Basin on the morning of January 28, 2019, and during the board meeting was 88.3% full or 3,121,845-acre feet. At year-to-date the Brazos River Basin was 98.3% full or 3,477,770-acre feet.
- b.) Bond School - Office Manager Kristina Crouch and Administrative Assistant April Garcia attended the Raymond James Bond School in San Antonio on February 12th and 13th. During this training they learned how to develop skills to identify appropriate investments to accomplish desired objectives. This training was designed to improve skills in balance sheet management methods and product knowledge. The total cost to

attend this bond school was \$775.48 including lodging and per diem. There was no registration fee to attend this training. The average cost was \$387.74 per employee.

c.) Texas Water - Texas Water 2020 being held in Ft. Worth on March 31st through April 2nd is the largest Regional Water Conference in the Nation with over 50,000 Texas AWWA members. The conference will include hundreds of vendors exhibiting their products. It will also include classroom presentations from water industry leaders and academia, as well as State and Federal regulatory agencies. BWA staff members including operations, maintenance, and management attend this conference on an annual basis. This year's attendance will consist of seven employees with a total cost of \$2,645.45 which includes registration, lodging, and per diem. This is an average cost of \$378.90 per employee which is an excellent value for the Authority to provide training and experience.

DISCUSS/CONSIDER APPROVAL OF A NEW REGIONAL WATER STUDY

General Manager discussed intel of working with engineers in preparation of starting the New Regional Water Study.

No action taken.

DISCUSS/CONSIDER APPROVAL OF FUTURE RAW WATER CONTRACT WITH THE DOW CHEMICAL COMPANY AND PARTICIPATION IN HARRIS RESERVOIR PROJECT

General Manager discussed plans of moving forward with the participation in Harris Reservoir Project.

No action taken.

CLOSED MEETING – EXECUTIVE SESSION

(After which the board will reconvene in open session and may take action)

(A) Section 551.074, Government Code – Deliberations concerning the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee, to-wit:

- A. Discuss/Consider Approval of Brazosport Water Authority General Manager's Periodic Review

At 7:18 p.m. the board entered into executive session.

RECONVENE IN OPEN SESSION

At 7:52 p.m. the board reconvened the open session of the meeting.

No action taken.

**DISCUSS/CONSIDER APPROVAL OF BRAZOSPORT WATER AUTHORITY
POLICY UPDATES AND PROCEDURE UPDATES**

No action taken.

APPROVAL AND STATUS OF CAPITAL PROJECTS/ MAINTENANCE PROJECTS

There are no Capital Projects or Maintenance Projects at this time.

**DISCUSS/CONSIDER APPROVAL OF AGENDA ITEMS FOR NEXT REGULAR
MEETING SCHEDULED ON MARCH 24, 2020:**

1. Brazosport Water Authority Plant Rehabilitation/Expansion including Brackish Groundwater Desalination Project
2. Discuss/Consider Approval of a New Regional Water Study
3. Discuss/Consider Approval of Brazosport Water Authority Policy Updates and Procedure Updates
4. Discuss/Consider Future Raw Water Storage Contract with The Dow Chemical Company and Participation in Harris Reservoir Project
5. Discuss/Consider Approval of Brazosport Water Authority General Manager's Periodic Review – Closed Session
6. Discuss/Consider Approval of BWA Investment Policy
7. Discuss/Consider Approval of BWA Personnel Policy

A motion was made by Director Fountain to approve agenda items for our next meeting. Director Damian seconded, with a vote of:

Ayes: Massingill, Knight, Damian, Hayes, Longoria, Merriman, Fountain
Nays: None
Absent: None

With no other business before the Board a motion was made by Director Damian to adjourn the meeting at 7:57 p.m. Director Fountain seconded, with a vote of:

Ayes: Massingill, Knight, Damian, Hayes, Longoria, Merriman, Fountain
Nays: None
Absent: None

These minutes read and approved this 24th day of March, 2020.

Juan Longoria III, Board President

Accountants' Compilation Report

To the Board of Directors
Brazosport Water Authority
Lake Jackson, Texas

Management is responsible for the accompanying financial statements, of Brazosport Water Authority which comprise the statement of assets, liabilities and net assets-modified cash basis as of February 29, 2020, the related statement of revenues and expenses-modified cash basis budget vs. actual for the one month and five months then ended and Statement of Revenues and Expenses-Modified Cash Basis Budget vs. Actual for the five months ended February 29, 2020 in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements, prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's statement of assets, liabilities and net assets and revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

We are not independent with respect to Brazosport Water Authority.

March 11, 2020
Houston, Texas

BRAZOSPORT WATER AUTHORITY
STATEMENT OF ASSETS, LIABILITIES AND
NET ASSETS-MODIFIED CASH BASIS
FEBRUARY 29, 2020

Assets

Cash and cash equivalents	\$ 10,066,490
Accounts receivable	1,436,878
Inventory	221,581
Prepaid Insurance	46,665
Prepaid Wages	-
Restricted cash and cash equivalents	48,932,160
Capital Assets	
Land and rights of way	209,312
Treatment plant and transmission facilities	25,395,862
Equipment, vehicles, and furnishings	3,174,545
Construction in progress	64,024,162
Accumulated depreciation	(26,816,733)
Deferred charges, net	-
Water rights	45,000
	\$ 126,735,922
Total Assets	\$ 126,735,922

Liabilities and Net Assets

Liabilities:

Accounts payable	\$ 998,509
Compensated absences payable	113,519
Accrued payroll	46,726
Loan Payments	-
Accrued expenses	-
Accrued interest payable	213,122
Revenue bonds - Series 2013	-
Revenue bonds - Series 2014	11,905,000
Revenue bonds - Series 2015 A	22,275,000
Bond Premium - Series 2015 A	693,116
Bond amortn - Series 2015 A	(127,071)
Revenue bonds - Series 2015 C	29,940,000
Bonds Premium - Series 2015 C	3,009,852
Bond amortn - Series 2015 C	(426,395)
Revenue bonds - Series 2015 B	5,315,000
Revenue bonds - Series 2016	21,545,000
	95,501,378
Total Liabilities	95,501,378

Net Assets:

Contributed capital	35,400
Restricted for capital projects	3,215
Restricted for debt service	1,792,204
Restricted for rate stabilization	566,482
Unrestricted	25,557,075
Net Revenue	3,280,168
	31,234,544
Total Net Assets	31,234,544

Total Liabilities and Net Assets	\$ 126,735,922
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See accountants' compilation report.

BRAZOSPORT WATER AUTHORITY
STATEMENTS OF REVENUES AND
EXPENSES-MODIFIED CASH BASIS
BUDGET VS. ACTUAL

FOR THE ONE MONTH AND FIVE MONTHS ENDED FEBRUARY 29, 2020

	FOR THE ONE MONTH ENDED FEBRUARY 29, 2020				FOR THE FIVE MONTHS ENDED FEBRUARY 29, 2020			
	Actual	Budget	Variance Under (Over)	Percent of Budget	Actual	Annual Budget	Budget Remaining	Percent of Budget Used
OPERATING REVENUES								
City of Angleton	\$ 172,260	\$ 181,170	\$ 8,910	95.08%	\$ 902,880	\$ 2,174,040	\$ 1,271,160	41.53%
City of Brazoria	30,145	31,705	1,560	95.08%	158,004	380,457	222,453	41.53%
City of Clute	95,700	100,650	4,950	95.08%	501,600	1,207,800	706,200	41.53%
City of Freeport	191,400	201,300	9,900	95.08%	1,003,200	2,415,600	1,412,400	41.53%
City of Lake Jackson	191,400	201,300	9,900	95.08%	1,003,200	2,415,600	1,412,400	41.53%
City of Oyster Creek	15,695	15,098	(597)	103.95%	79,444	181,170	101,726	43.85%
City of Richwood	22,490	23,653	1,163	95.08%	117,876	283,833	165,957	41.53%
Texas Department of Corrections	95,265	100,193	4,928	95.08%	499,320	1,202,310	702,990	41.53%
Dow Chemical	100,920	106,140	5,220	95.08%	529,132	1,273,680	744,548	41.54%
City of Rosenberg	408,900	430,050	21,150	95.08%	2,143,200	5,160,600	3,017,400	41.53%
Other water sales	-	-	-	0.00%	1,155	-	(1,155)	0.00%
Uncategorized income	-	-	-	0.00%	-	-	-	0.00%
Total operating revenues	\$ 1,324,175	\$ 1,391,259	\$ 67,084	95.18%	\$ 6,939,011	\$ 16,695,090	\$ 9,756,079	41.56%
OPERATING EXPENSES								
Payroll and benefits								
Wages--plant support	\$ 131,900	\$ 167,833	\$ 35,933	78.59%	\$ 753,299	\$ 2,014,000	\$ 1,260,701	37.40%
Payroll taxes	10,027	13,500	3,473	74.27%	51,761	162,000	110,239	31.95%
Retirement	6,828	11,750	4,922	58.11%	43,051	141,000	97,949	30.53%
Group insurance	47,084	43,333	(3,751)	108.66%	227,086	520,000	292,914	43.67%
Worker's comp insurance	1,597	2,917	1,320	54.75%	5,826	35,000	29,174	16.65%
Total payroll and benefits	\$ 197,436	\$ 239,333	\$ 41,897	82.49%	\$ 1,081,023	\$ 2,872,000	\$ 1,790,977	37.64%
Water production expenses								
Raw water storage and transfer	\$ -	\$ 101,835	\$ 101,835	0.00%	\$ 346,413	\$ 1,222,020	\$ 875,607	28.35%
Raw water purchase	-	-	-	0.00%	-	-	-	0.00%
Power	35,731	44,167	8,436	80.90%	171,877	530,000	358,123	32.43%
Residuals disposal	56,111	66,667	10,556	84.17%	266,758	800,000	533,242	33.34%
Chlorine	8,370	8,333	(37)	100.44%	28,861	100,000	71,139	28.86%
Copper sulfate	85	12,500	12,415	0.68%	24,119	150,000	125,881	16.08%
Alum	14,141	22,917	8,776	61.71%	80,974	275,000	194,026	29.45%
Sodium chlorite	9,377	20,833	11,456	45.01%	75,993	250,000	174,007	30.40%
Anionic polymer	7,859	11,667	3,808	67.36%	26,485	140,000	113,515	18.92%
Caustic soda	3,157	18,750	15,593	16.84%	67,033	225,000	157,967	29.79%
Fluoride	-	-	-	0.00%	-	-	-	0.00%
Seaquest	6,262	8,333	2,071	75.15%	26,677	100,000	73,323	26.68%
Carbon	-	1,250	1,250	0.00%	41,856	15,000	(26,856)	279.04%
Polyaluminum chloride	-	10,417	10,417	0.00%	-	125,000	125,000	0.00%
Cationic polymer	8,084	16,667	8,583	48.50%	47,586	200,000	152,414	23.79%
Ammonium sulfate	2,724	2,917	193	93.38%	13,733	35,000	21,267	39.24%

See accountants' compilation report.

BRAZOSPORT WATER AUTHORITY
 STATEMENTS OF REVENUES AND
 EXPENSES-MODIFIED CASH BASIS
 BUDGET VS. ACTUAL
 FOR THE ONE MONTH AND FIVE MONTHS ENDED FEBRUARY 29, 2020

	FOR THE ONE MONTH ENDED FEBRUARY 29, 2020				FOR THE FIVE MONTHS ENDED FEBRUARY 29, 2020			
	Actual	Budget	Variance Under (Over)	Percent of Budget	Actual	Annual Budget	Budget Remaining	Percent of Budget Used
Ferrous Chloride	-	583	583	0.00%	-	7,000	7,000	0.00%
Cupric Sulfate	-	-	-	0.00%	-	-	-	0.00%
Chemical delivery charges	-	208	208	0.00%	-	2,500	2,500	0.00%
Chemical inventory (over) short	-	-	-	0.00%	-	-	-	0.00%
Water Production Exp - Other	-	-	-	0.00%	-	-	-	0.00%
Total water production expenses	\$ 151,901	\$ 348,044	\$ 196,143	43.64%	\$ 1,218,365	\$ 4,176,520	\$ 2,958,155	29.17%
Quality control expenses								
Operations lab	\$ 2,087	\$ 4,167	\$ 2,080	50.09%	\$ 15,537	\$ 50,000	\$ 34,463	31.07%
Other labs	15	3,333	3,318	0.45%	2,260	40,000	37,740	5.65%
Total quality control expenses	\$ 2,102	\$ 7,500	\$ 5,398	28.03%	\$ 17,797	\$ 90,000	\$ 72,203	19.77%
Maintenance expenses								
Tools/equipment	\$ 10,010	\$ 8,333	\$ (1,677)	120.12%	\$ 24,967	\$ 100,000	\$ 75,033	24.97%
Buildings/grounds	456	6,667	6,211	6.84%	1,740	80,000	78,260	2.18%
Sewer/garbage	-	208	208	0.00%	2,021	2,500	479	80.84%
Vehicles	6,406	2,083	(4,323)	307.54%	14,934	25,000	10,066	59.74%
Office/computer equipment	1,407	3,333	1,926	42.21%	15,096	40,000	24,904	37.74%
Rentals	424	2,917	2,493	14.54%	2,364	35,000	32,636	6.75%
Distribution system	1,662	8,333	6,671	19.94%	37,498	100,000	62,502	37.50%
Fuels	1,631	5,000	3,369	32.62%	7,681	60,000	52,319	12.80%
Freight (out)	314	833	519	37.70%	2,702	10,000	7,298	27.02%
Materials/parts	3,785	7,500	3,715	50.47%	22,630	90,000	67,370	25.14%
Lab maintenance	-	1,042	1,042	0.00%	10,923	12,500	1,577	87.38%
Sub-contractor expense	3,509	12,500	8,991	28.07%	20,008	150,000	129,992	13.34%
Total maintenance expenses	\$ 29,604	\$ 58,749	\$ 29,145	50.39%	\$ 162,564	\$ 705,000	\$ 542,436	23.06%
Administrative expenses								
Office supplies	\$ 706	\$ 1,667	\$ 961	42.36%	\$ 2,779	\$ 20,000	\$ 17,221	13.90%
Training	1,945	2,500	555	77.80%	6,693	30,000	23,307	22.31%
Dues/permits/licenses	1,572	4,333	2,761	36.28%	34,263	52,000	17,737	65.89%
Travel	-	4,167	4,167	0.00%	1,414	50,000	48,586	2.83%
Safety	-	2,500	2,500	0.00%	10,458	30,000	19,542	34.86%
Legal	525	4,583	4,058	11.46%	2,783	55,000	52,217	5.06%
Advertising	-	1,250	1,250	0.00%	-	15,000	15,000	0.00%
Reference materials	-	292	292	0.00%	249	3,500	3,251	7.11%
Medical	1,493	2,500	1,007	59.72%	7,733	30,000	22,267	25.78%
Engineering/studies	7,889	8,333	444	94.67%	29,578	100,000	70,422	29.58%
Communications	2,863	3,167	304	90.40%	14,785	38,000	23,215	38.91%
Accounting/audit	6,062	3,750	(2,312)	161.65%	29,554	45,000	15,446	65.68%
Insurance	5,069	6,250	1,181	81.10%	25,663	75,000	49,337	34.22%
Additional Administrative expenses	1,122	2,917	1,795	38.46%	2,310	35,000	32,690	6.60%

See accountants' compilation report.

BRAZOSPORT WATER AUTHORITY
 STATEMENTS OF REVENUES AND
 EXPENSES-MODIFIED CASH BASIS
 BUDGET VS. ACTUAL
 FOR THE ONE MONTH AND FIVE MONTHS ENDED FEBRUARY 29, 2020

	FOR THE ONE MONTH ENDED FEBRUARY 29, 2020				FOR THE FIVE MONTHS ENDED FEBRUARY 29, 2020			
	Actual	Budget	Variance Under (Over)	Percent of Budget	Actual	Annual Budget	Budget Remaining	Percent of Budget Used
Total administrative expenses	\$ 29,246	\$ 48,209	\$ 18,963	60.67%	\$ 168,262	\$ 578,500	\$ 410,238	29.09%
Depreciation								
Depreciation	\$ 38,299	\$ 41,145	\$ 2,846	93.08%	\$ 191,495	\$ 493,735	\$ 302,240	38.78%
Total depreciation expense	\$ 38,299	\$ 41,145	\$ 2,846	93.08%	\$ 191,495	\$ 493,735	\$ 302,240	38.78%
Total operating expenses	\$ 448,588	\$ 742,980	\$ 294,392	60.38%	\$ 2,839,506	\$ 8,915,755	\$ 6,076,249	31.85%
OPERATING INCOME (LOSS)	\$ 875,587	\$ 648,279	\$ (227,308)	135.06%	\$ 4,099,505	\$ 7,779,335	\$ 3,679,830	52.70%
NONOPERATING REVENUES (EXPENSES)								
Interest income	\$ 25,525	\$ 8,333	\$ (17,192)	306.31%	\$ 225,480	\$ 100,000	\$ (125,480)	225.48%
Dividend income	2,743	-	(2,743)	0.00%	22,721	-	(22,721)	0.00%
Unrealized gains (losses)	12,261	-	(12,261)	0.00%	88,264	-	(88,264)	0.00%
Realized gains (losses)	-	-	-	0.00%	-	-	-	0.00%
Gain / Loss on Sale of Assets	-	-	-	0.00%	-	-	-	0.00%
Amortization of bond premium - 2015 A	2,310	2,310	-	100.00%	11,552	27,720	16,168	41.67%
Amortization of bond premium - 2015 C	8,361	8,361	-	100.00%	41,804	100,332	58,528	41.67%
Bond interest--2013 series	-	-	-	0.00%	-	-	-	0.00%
Bond interest--2014 series	(16,913)	(16,913)	-	100.00%	(84,564)	(202,954)	(118,390)	41.67%
Bond interest--2015 A series	(76,914)	(76,914)	-	100.00%	(384,570)	(922,969)	(538,399)	41.67%
Bond interest--2015 B series	(8,129)	(8,129)	-	100.00%	(40,642)	(97,542)	(56,900)	41.67%
Bond interest--2015 C series	(113,225)	(113,225)	-	100.00%	(566,125)	(1,358,700)	(792,575)	41.67%
Bond interest--2016 series	(26,651)	(26,651)	-	100.00%	(133,257)	(319,818)	(186,561)	41.67%
Amortization of bond premium - 2013	-	-	-	0.00%	-	-	-	0.00%
Bond issuance costs	-	-	-	0.00%	-	-	-	0.00%
Total nonoperating revenues (exp)	\$ (190,632)	\$ (222,828)	\$ 32,196	85.55%	\$ (819,337)	\$ (2,673,931)	\$ 1,854,594	30.64%
INCREASE (DECREASE) IN NET ASSETS	\$ 684,955	\$ 425,451	\$ (259,504)	161.00%	\$ 3,280,168	\$ 5,105,404	\$ 1,825,236	64.25%

See accountants' compilation report.

BWA Board Packet for March 24, 2020 Board Meeting

**BRAZOSPORT WATER AUTHORITY
FUND ACCOUNTS SUMMARY
FEBRUARY, 2020**

	<u>CURRENT MONTH BALANCE</u>	<u>MINIMUM BALANCE</u>
Operations Account #105-908	\$ 4,274,041.25	
Debt Service Fund Account #108-738	\$ 1,852,830.09	
Debt Service Reserve Fund Account #108-746	\$ 4,675,771.64	
Operations Reserve Account #109-264	\$ 217,743.03	
Operating Reserve Account at Raymond James	\$ 410,301.86	
Sum of Operating Reserve at Raymond James and 109-264	<u>\$ 628,044.89</u>	\$ 450,000.00
Rate Stabilization Fund Account #109-298 (reserve fund)	\$ 276,250.59	
Rate Stabilization Account at Raymond James	\$ 287,543.81	
Sum of Rate Stabilization at Raymond James and 109-298	<u>\$ 563,794.40</u>	\$ 500,000.00
Renewal and Replacement Fund Account #109-645	\$ 2,699,030.65	
Construction Account #105-890	\$ 5,496,073.81	
Drought Contingency Water Relief Fund #100103197	\$ 121,156.38	\$122,012.72 paid 01/28/2014
General Support Fund #100104819	\$ 2,298,992.32	
General Support Fund @ TexSTAR BWA GSFTS	\$ 2,305,731.01	
General Support Fund @ LOGIC BWA GSFLG	\$ 2,311,129.56	
Sum of General Support Fund 100104819/TexSTAR/LOGIC	<u>\$ 6,915,852.89</u>	
Grant Agreement-TWDB G1001055 Escrow Acct #100107346	\$ 280,000.00	
Next Financial Services	<u>\$ 1,772,772.91</u>	
TOTAL OF ALL FUNDS	\$ 29,279,368.91	

**BRAZOSPORT WATER AUTHORITY
RAYMOND JAMES ACCOUNT SUMMARY
FEBRUARY, 2020**

RAYMOND JAMES ACCOUNTS	FAIR MARKET VALUE (as of 2/29)
Rate Stabilization Fund 27403791	\$287,543.81
Operating Reserve Fund 27403786	\$410,301.86
TOTALS	\$697,845.67

ACCOUNT BREAKDOWNS

Rate Stabilization Fund	AMOUNT INVESTED	MARKET VALUE 1/31	MARKET VALUE 2/29
Government and Agency Securities:			
Fed. Home Loan Banks Debenture due 06/15/26 (Redeemed)	\$ 50,000.00	\$ 50,001.00	\$ -
Fed. National Mort. Assoc. Note due 10/4/24	\$ 60,000.00	\$ 60,001.20	\$ 60,001.80
Fed. Home Loan Mort. Corp Med. Term Note due 09/30/26	\$ 60,000.00	\$ 59,991.60	\$ 60,017.40
SECURITIES TOTAL:	\$ 170,000.00	\$ 169,993.80	\$ 120,019.20
Cash and Money Market:			
Previous Month		\$ 117,329.94	\$ 117,339.11
Earnings		\$ 9.17	\$ 185.50
Bond Maturity			\$ 50,000.00
CASH AND MONEY MARKET TOTALS:		\$ 117,339.11	\$ 167,524.61
RATE STABILIZATION FUND TOTALS:		\$ 287,332.91	\$ 287,543.81
Operating Reserve Fund	AMOUNT INVESTED	MARKET VALUE 1/31	MARKET VALUE 2/29
Government and Agency Securities:			
Bonds Asset and Mortgage Backed Securities:			
Fed. Home Loan Banks Debenture due 06/15/26 (Redeemed)	\$ 50,000.00	\$ 50,001.00	\$ -
Fed. National Mort. Assoc. Note due 10/4/24	\$ 55,000.00	\$ 55,001.10	\$ 55,001.65
Fed. National Mort. Assoc. Note due 11/23/21	\$ 45,000.00	\$ 44,965.35	\$ 45,039.15
SECURITIES TOTAL:	\$ 150,000.00	\$ 149,967.45	\$ 100,040.80
Cash and Money Market:			
Previous Month		\$ 203,879.68	\$ 260,067.90
Earnings		\$ 1,188.22	\$ 193.16
Bond Maturity		\$ 55,000.00	\$ 50,000.00
CASH AND MONEY MARKET TOTALS:		\$ 260,067.90	\$ 310,261.06
OPERATING RESERVE FUND TOTALS:		\$ 410,035.35	\$ 410,301.86
ACCOUNT BREAKDOWN TOTALS:		\$ 697,368.26	\$ 697,845.67

**BRAZOSPORT WATER AUTHORITY
FEBRUARY, 2020**

NEXT FINANCIALS SERVICES**ACCT PP8-214395 NEW BONDS PURCHASED JANUARY 2017:**

FEDERAL HOME LN BKS FIXED RATE 400,000 @ a price of 102.787

FEDERAL HOME LN BKS FIXED RATE 150,000 @ a price of 99.9020

ACCT PP8-214395 NEW BONDS PURCHASED JULY 2019:

FEDERAL FARM CR BKS CONS SYSTEMWIDE 385,000 @ a price of 101.8250

ACCT PP8-214395	<u>COST</u>	<u>MARKET 1/31</u>	<u>MARKET 2/29</u>
FEDERAL HOME LN BKS FIXED RATE (12/8/23 B/E)	\$ 411,148.00	\$ 416,604.00	\$ 422,920.00
FEDERAL HOME LN BKS FIXED RATE (2/18/21 B/E)	\$ 149,853.50	\$ 149,770.50	\$ 150,325.50
FEDERAL FARM CR BKS CONS SYSTEMWIDE (1/29/27 B/E)	\$ 392,026.25	\$ 386,008.70	\$ 386,455.30
Money Market		\$ 13,967.76	\$ 15,008.62
	SUBTOTAL \$ 953,027.75	\$ 966,350.96	\$ 974,709.42

ACCT PP8-143016 NEW BONDS PURCHASED MARCH 2019:

FEDERAL HOME LN BKS FIXED RATE 350,000 @ a price of 103.4320

ACCT PP8-143016 NEW BONDS PURCHASED JULY 2019:

FEDERAL FARM CR BKS CONS SYSTEMWIDE 415,000 @ a price of 101.95

ACCT PP8-143016	<u>COST</u>	<u>MARKET 1/31</u>	<u>MARKET 2/29</u>
FEDERAL HOME LN BKS FIXED RATE (3/10/23 B/E)	\$ 362,013.23	\$ 364,399.00	\$ 368,704.00
FEDERAL FARM CR BKS CONS SYSTEMWIDE (7/17/20 B/E)	\$ 423,092.50	\$ 415,477.25	\$ 416,016.75
Money Market		\$ 13,333.81	\$ 13,342.74
	SUBTOTAL \$ 785,105.73	\$ 793,210.06	\$ 798,063.49
	TOTAL \$ 1,738,133.48	\$ 1,759,561.02	\$ 1,772,772.91

**BRAZOSPORT WATER AUTHORITY
BOND ISSUANCE SUMMARY
FEBRUARY, 2020**

BOND SERIES 2014 (DWSRF) @ 1.266%

Issued October 2014 to cover costs for BWA Administrations Building, Clearwell, Plant Improvements and Upgrades; (\$924,670 of closing costs to BWA Next Investment PP8-214395); Bond Funds are currently held with Bank of New York Mellon and Next Investments	Amount Issued:	\$ 15,500,000.00
	Closing Cost:	\$ 1,396,273.25
	Current Month Expenses:	\$ 783,200.77
	Bank of New York Mellon 668688:	\$ 4,340,908.35
	NEXT Investments PP8-214395:	\$ 974,709.42
	TOTAL FUNDS AT MONTH END:	\$ 5,315,617.77

BOND SERIES 2015A (Open Market) @ 4%

Issued July 2015 to cover costs for BWA's first phase of the Northern Regional Pipeline ALL 2015A FUNDS EXHAUSTED	Amount Issued:	\$ 23,377,708.35
	Closing Cost:	\$ 272,350.31
	Current Month Expenses:	\$ -
	TexSTAR 0201120150:	\$ -
	LOGIC 0264611001:	\$ -
	TOTAL FUNDS AT MONTH END:	\$ -

BOND SERIES 2015B (SWIFT) @ 2.41%

Issued December 2015 to cover costs for BWA Desalination Well, Pilot Project & Engineering; (\$318,500 of closing costs to BWA Construction Acct 105890); Bond Funds are currently held with BONY	Amount Issued:	\$ 5,605,000.00
	Closing Cost:	\$ 390,812.50
	Current Month Expenses:	\$ -
	Bank of New York Mellon 459072:	\$ 2,085,972.50
	TOTAL FUNDS AT MONTH END:	\$ 2,085,972.50

BOND SERIES 2015C (Open Market) @ 4%

Issued November 2015 to cover costs for BWA second phase of the Northern Regional Pipeline (\$2,603,723 of closing costs to BWA LOGIC Acct 0264611002) ALL 2015C FUNDS EXHAUSTED	Amount Issued:	\$ 33,450,577.10
	Closing Cost:	\$ 2,936,974.65
	Current Month Expenses:	\$ -
	LOGIC 0264611002:	\$ -
	Bayern BWA15C/1666038N:	\$ -
	TOTAL FUNDS AT MONTH END:	\$ -

BOND SERIES 2016 (SWIFT) @ 1.67%

Issued November 2016 for building of Desalination Plant; 2 wells and associated piping (\$699,426 of closing costs to BWA Debt Service Acct 108738); Bond Funds are currently held with BONY	Amount Issued:	\$ 22,695,000.00
	Closing Cost:	\$ 853,849.89
	Current Month Expenses:	\$ 127,530.00
	Bank of New York Mellon 280682:	\$ 23,275,527.66
	TOTAL FUNDS AT MONTH END:	\$ 23,275,527.66

To the best of my knowledge, this four page report reflects compliance with the Texas Public Funds Investment Act and Internal Management Reports section of Brazosport Water Authority's Investment Policy approved March 26, 2019.


Ronald Woodruff, BWA General Manager

3-18-2020
Date

**NOTABLE EXPENDITURE REPORT
FEBRUARY, 2020**

5510 - SMALL TOOLS/EQUIPMENT

Felder Water Well - \$5,446.00

High volume pump repair to spare High Service pump.

Hach - \$3,634.00

DR1900 Portable Spectrophotometer.

5513 - VEHICLE

Brazoria County Truck Outfitters - \$5,796.00

Four toolboxes for maintenance truck.

WATER COMPLAINTS
February 18 to March 18, 2020

Angleton	No Complaints
Brazoria	No Complaints
Clute	No Complaints
Freeport	No Complaints
Lake Jackson	No Complaints
Oyster Creek	No Complaints
Richwood	No Complaints
Rosenberg	No Complaints
TDCJ - Clemens Unit	No Complaints
TDCJ - Wayne Scott Unit	No Complaints

SURFACE WATER MONTHLY OPERATING REPORT

FOR PUBLIC WATER SYSTEMS THAT ARE USING SURFACE WATER SOURCES
OR GROUND WATER SOURCES UNDER THE INFLUENCE OF SURFACE WATER

Summary Page

PUBLIC WATER SYSTEM NAME: <u>BRAZOSPORT WATER AUTHORITY</u>	PLANT NAME OR NUMBER: <u>BRAZOSPORT WATER AUTHORITY (0200497)</u>
I certify that I am familiar with the information contained in this report and that, to the best of my knowledge, the information is true, complete, and accurate.	
PWS ID No.: <u>0200497</u> Plant ID No.: <u>14711</u> Report for the Month of: <u>February 2020</u>	Operator's Signature: Certificate No. & Grade: <u>WS0007568, B</u> Date: <u>March 2, 2020</u>

TREATMENT PLANT PERFORMANCE			
Total number of turbidity readings:	174	Number of 4-hour periods when plant was off-line:	0
Number of readings above 0.10 NTU:	93	Number of 4-hour periods when plant was on-line but turbidity data was not collected:	0
Number of readings above 0.3 NTU:	0	Number of days when plant was on-line but individual filter turbidity data was not collected:	0
Number of readings above 0.5 NTU:	0	Number of days with readings above 1.0 NTU:	0 (2)
Number of readings above 1.0 NTU:	0	Number of days with readings above 5.0 NTU:	0 (3)
Maximum allowable turbidity level:	0.3		
Percentage of readings above this limit:	0.0 % (1)		
Number of days with a low CT for no more than 4.0 consecutive hours:		Average log inactivation for Giardia: 1.36	
		Average log inactivation for viruses: 5.52	
Number of days with a low CT for more than 4.0 consecutive hours:		Number of days when profiling data was not collected: 0	
		Number of days when CT data was not collected: 0	
Minimum disinfectant residual required leaving the plant:		0.5 mg/L, measured as Total Chlorine	
Number of days with a low residual for no more than 4.0 consecutive hours:		Minimum pH in the last disinfection zone: 7.58	
		Number of days with pH below 7.0 in the last disinfection zone: 0.00	
Number of days with a low residual for more than 4.0 consecutive hours:		Number of days when disinfectant residual leaving the plant was not properly monitored: 0	

DISTRIBUTION SYSTEM			
Minimum disinfectant residual required in distribution system:		0.5 mg/L, measured as Total Chlorine	
Total number of readings this month:	29 (at least 29 required) (8)	Percentage of readings with a low residual this month:	0.0 % (6A)
Average disinfectant residual value:	2.85	Percentage of readings with a low residual last month:	0.0 % (6B)
Number of readings with a low residual:	0		
Number of readings with no detectable residual:	0		

ADDITIONAL REPORTS & WORKSHEETS			
The Page 1 Addendum (Public Notices) is not required because there were no treatment technique or monitoring/reporting violations reported.			
Additional report(s) for individual filter monitoring required:	<input type="radio"/> NONE <input type="radio"/> Filter Profile <input type="radio"/> Filter Assessment <input type="radio"/> CPE		
Additional report(s) for individual filter monitoring submitted:	<input type="radio"/> NONE <input type="radio"/> Filter Profile (9) <input type="radio"/> Filter Assessment (10) <input type="radio"/> CPE (11)		
No additional IFE Reports are required this month.			

STATISTICAL ANALYSIS OF TURBIDITY DATA			
Settled Water Stastical Summary	Maximum turbidity reading:	1.55 NTU	Average turbidity value: 0.70 NTU
	Minimum turbidity reading:	0.18 NTU	Standard deviation: 0.289 NTU
	95 th percentile value:	1.28 NTU	
IFE Stastical Summary	Maximum IFE turbidity reading:	0.22 NTU	Average IFE turbidity value: 0.12 NTU
	Minimum IFE turbidity reading:	0.10 NTU	Standard deviation: 0.018 NTU
	95 th percentile IFE value:	0.15 NTU	
CFE Stastical Summary	Maximum CFE turbidity reading:	0.14 NTU	Average CFE turbidity value: 0.11 NTU
	Minimum CFE turbidity reading:	0.09 NTU	Standard deviation: 0.011 NTU
	95 th percentile CFE value:	0.12 NTU	

STATISTICAL ANALYSIS OF pH DATA			
Last Zone pH Stastical Summary	Maximum pH reading:	7.95 pH	Average pH value: 7.78 pH
	Minimum pH reading:	7.58 pH	Standard deviation: 0.086 pH
	95 th percentile value:	7.93 pH	

SURFACE WATER MONTHLY OPERATING REPORT
 TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
 WATER SUPPLY DIVISION/PUBLIC DRINKING WATER SECTION (MC-155)
 P.O. BOX 13087, AUSTIN, TEXAS 78711-3087

MONTHLY COST PER 1,000 GALLONS PRODUCED

FEBRUARY, 2020

	FEBRUARY	JANUARY	DECEMBER
CHEMICAL	0.2210	0.2345	0.2501
ENERGY	0.1300	0.1175	0.1330
RAW WATER	0.2670	0.2668	0.2642
LABOR	0.7265	0.6028	0.9341
OPERATIONS & MAINTENANCE	0.4308	0.4151	0.3591
DEBT SERVICE	1.9319	1.7260	1.6108
ACTUAL 1,000 GALLON COST	\$3.7073	\$3.3627	\$3.5513
BILLED 1,000 GALLONS	3.30/3.65/3.48	3.30/3.65/3.48	3.30/3.65/3.48
1,000 GAL/WATER PUMPED	271,749.62	304,164.96	325,928.77
1,000 GAL/WATER BILLED	424,781.00	455,256.00	458,772.00
DOLLARS BILLED	\$1,324,174.80	\$1,415,497.20	\$1,415,497.20
GAIN <LOSS>	\$316,725.28	\$392,670.17	\$258,030.57

**WATER TREATMENT PLANT PERFORMANCE
FEBRUARY, 2020**

TOTAL RAW WATER PUMPED	<u>302,630.00</u>	THOUSAND GALLONS
AVERAGE RAW WATER PUMPED PER DAY	<u>9,762</u>	THOUSAND GALLONS
AVERAGE RAW WATER TURBIDITY	<u>55.97</u>	NEPHELOMETRIC TURBIDITY UNITS
TOTAL OFFSITE DELIVERY	<u>271,749.62</u>	THOUSAND GALLONS
AVERAGE FINISHED TURBIDITY	<u>0.11</u>	NTU
AVERAGE FILTER RUN	<u>5,435</u>	THOUSAND GALLONS

CHEMICAL TREATMENT

<u>NAME OF CHEMICAL USED</u>	<u>POUNDS OF INVENTORY</u>	<u>POUNDS USED</u>	<u>COST</u>
ALUM SULFATE	<u>126,828</u>	<u>202,020</u>	<u>14,141.40</u>
AMMONIUM SULFATE	<u>27,535</u>	<u>23,623</u>	<u>2,723.73</u>
ANIONIC POLYMER	<u>2,027</u>	<u>4,072</u>	<u>7,858.96</u>
POWDERED ACTIVATED CARBON	<u>2,200</u>	<u>-</u>	<u>0.00</u>
SODIUM HYDROXIDE (CAUSTIC SODA)	<u>53,376</u>	<u>17,539</u>	<u>3,157.02</u>
CHLORINE	<u>10,080</u>	<u>25,556</u>	<u>8,369.59</u>
COPPER SULFATE	<u>26,507</u>	<u>138</u>	<u>84.87</u>
SODIUM CHLORITE	<u>57,505</u>	<u>11,930</u>	<u>9,376.98</u>
SEAQUEST	<u>42,649</u>	<u>5,175</u>	<u>6,261.75</u>
CATIONIC POLYMER	<u>54,456</u>	<u>11,257</u>	<u>8,084.07</u>
FERROUS CHLORIDE	<u>2,475</u>	<u>-</u>	<u>0.00</u>
TOTAL COST			<u>\$ 60,058.37</u>
CHEMICAL COST PER 1,000 GALLONS			<u>\$ 0.22</u>

ELECTRICAL ENERGY USAGE

	<u>TOTAL KWH</u>	<u>TOTAL \$/KWH</u>	<u>TOTAL PAID</u>
TOTAL KWH	<u>503,429</u>	<u>\$0.0683</u> /KWH	<u>= \$ 34,384.11</u>
POWER COST PER 1,000 GALLONS			<u>\$ 0.13</u>
FISCAL YEAR TO DATE ELECTRICAL TOTALS:	<u>3,326,459</u>	<u>0.0604</u>	<u>\$ 200,839.11</u>
FISCAL YEAR TO DATE POWER COST PER 1,000 GALLONS			<u>0.1273</u>
AVERAGE ELECTRICAL:	<u>665,292</u>	<u>0.0604</u>	<u>\$ 40,167.82</u>
AVERAGE POWER COST PER 1,000 GALLONS			<u>0.1019</u>

2019-2020 CHEMICAL USAGE

ALUM	POUNDS	DOLLARS	POUNDS	DOLLARS
	ON HAND	ON HAND	USED	USED
October	128,996	\$6,915.98	233,084	\$16,315.88
November	128,020	\$6,847.66	240,096	\$16,806.72
December	84,552	\$6,802.02	307,988	\$21,559.16
January	143,088	\$7,902.42	173,584	\$12,150.88
February	126,828	\$6,764.22	202,020	\$14,141.40
March				
April				
May				
June				
July				
August				
September				
Total Used:			1,156,772	\$80,974.04

AMMONIUM SULFATE	POUNDS	DOLLARS	POUNDS	DOLLARS
	ON HAND	ON HAND	USED	USED
October	21,812	\$5,008.33	29,049	\$3,349.35
November	43,555	\$8,590.67	26,697	\$3,078.16
December	15,513	\$6,802.02	15,513	\$1,788.65
January	51,158	\$10,518.24	24,224	\$2,793.03
February	27,535	\$7,794.51	23,623	\$2,723.73
March				
April				
May				
June				
July				
August				
September				
Total Used:			119,106	\$13,732.92

ANIONIC POLYMER	POUNDS	DOLLARS	POUNDS	DOLLARS
	ON HAND	ON HAND	USED	USED
October	7,903	\$14,320.68	2,711	\$5,473.78
November	4,639	\$7,730.34	3,264	\$6,590.34
December	5,541	\$9,472.80	1,528	\$2,949.04
January	6,099	\$10,551.34	1,872	\$3,612.96
February	2,027	\$2,692.38	4,072	\$7,858.96
March				
April				
May				
June				
July				
August				
September				
Total Used:			13,447	\$26,485.08

CARBON	POUNDS	DOLLARS	POUNDS	DOLLARS
	ON HAND	ON HAND	USED	USED
October	5,500	\$7,789.19	10,850	\$18,987.50
November	5,500	\$7,789.19	8,800	\$16,632.00
December	2,200	\$1,552.19	3,300	\$6,237.00
January	2,200	\$1,552.19	0	\$0.00
February	2,200	\$1,552.19	0	\$0.00
March				
April				
May				
June				
July				
August				
September				
Total Used:			22,950	\$41,856.50

BWA Board Packet for March 24, 2020 Board Meeting

2019-2020 CHEMICAL USAGE

CAUSTIC SODA	POUNDS ON HAND	DOLLARS ON HAND	POUNDS USED	DOLLARS USED
October	57,099	\$25,079.25	92,431	\$16,637.58
November	69,734	\$27,353.55	78,835	\$14,190.30
December	44,041	\$22,728.81	71,108	\$12,799.44
January	70,915	\$27,566.13	99,395	\$17,891.10
February	53,376	\$24,409.11	56,997	\$10,259.46
March				
April				
May				
June				
July				
August				
September				
Total Used:			398,766	\$71,777.88

CHLORINE	POUNDS ON HAND	DOLLARS ON HAND	POUNDS USED	DOLLARS USED
October	2,283	\$24,359.82	17,221	\$5,639.88
November	11,390	\$21,309.49	17,314	\$5,670.34
December	13,075	\$25,604.95	14,594	\$4,779.54
January	25,636	\$29,718.68	19,439	\$6,366.27
February	10,080	\$24,624.09	19,556	\$6,404.59
March				
April				
May				
June				
July				
August				
September				
Total Used:			88,124	\$28,860.62

COPPER SULFATE	POUNDS ON HAND	DOLLARS ON HAND	POUNDS USED	DOLLARS USED
October	47,033	\$33,327.14	18,653	\$11,471.60
November	29,444	\$22,509.90	17,589	\$10,817.24
December	26,606	\$20,764.53	2,838	\$1,745.37
January	26,645	\$20,764.53	0	\$0.00
February	26,507	\$20,679.66	138	\$84.87
March				
April				
May				
June				
July				
August				
September				
Total Used:			39,218	\$24,119.08

SODIUM CHLORITE	POUNDS ON HAND	DOLLARS ON HAND	POUNDS USED	DOLLARS USED
October	39,446	\$26,580.99	24,862	\$19,541.53
November	16,634	\$8,650.76	22,812	\$17,930.23
December	40,634	\$27,514.76	20,920	\$16,443.12
January	24,475	\$14,813.78	16,159	\$12,700.97
February	57,505	\$40,775.36	11,930	\$9,376.98
March				
April				
May				
June				
July				
August				
September				
Total Used:			96,683	\$75,992.83

BWA Board Packet for March 24, 2020 Board Meeting

2019-2020 CHEMICAL USAGE

PHOSPHATE	POUNDS ON HAND	DOLLARS ON HAND	POUNDS USED	DOLLARS USED
October	14,929	\$13,267.35	4,567	\$5,526.07
November	57,105	\$64,300.31	3,024	\$3,659.04
December	52,324	\$58,515.30	4,781	\$5,785.01
January	47,824	\$53,070.30	4,500	\$5,445.00
February	42,649	\$46,808.55	5,175	\$6,261.75
March				
April				
May				
June				
July				
August				
September				
Total Used:			22,047	\$26,676.87

CATIONIC POLYMER	POUNDS ON HAND	DOLLARS ON HAND	POUNDS USED	DOLLARS USED
October	14,650	\$15,408.52	16,173	\$11,663.90
November	45,050	\$37,239.89	14,527	\$10,432.38
December	34,689	\$29,799.27	10,361	\$7,440.62
January	20,813	\$19,834.40	13,876	\$9,964.87
February	54,456	\$43,996.53	11,257	\$8,084.07
March				
April				
May				
June				
July				
August				
September				
Total Used:			66,194	\$47,585.84

FERROUS CHLORIDE	POUNDS ON HAND	DOLLARS ON HAND	POUNDS USED	DOLLARS USED
October	2,475	\$1,485.00	0	\$0.00
November	2,475	\$1,485.00	0	\$0.00
December	2,475	\$1,485.00	0	\$0.00
January	2,475	\$1,485.00	0	\$0.00
February	2,475	\$1,485.00	0	\$0.00
March				
April				
May				
June				
July				
August				
September				
Total Used:			0	\$0.00

2019-2020 WATER USAGE

ANGLETON		GALLONS	GALLONS	TOTAL
	CONTRACTED	ACTUALLY	OVER/(UNDER)	GALLONS
	GALLONS	USED	CONTRACT	OVER/(UNDER)
				CONTRACT
October	55,800,000	60,633,000	4,833,000	4,833,000
November	54,000,000	55,473,000	1,473,000	6,306,000
December	55,800,000	54,621,000	(1,179,000)	5,127,000
January	55,800,000	53,541,000	(2,259,000)	2,868,000
February	52,200,000	51,448,000	(752,000)	2,116,000
March	55,800,000			
April	54,000,000			
May	55,800,000			
June	54,000,000			
July	55,800,000			
August	55,800,000			
September	54,000,000			

BRAZORIA		GALLONS	GALLONS	TOTAL
	CONTRACTED	ACTUALLY	OVER/(UNDER)	GALLONS
	GALLONS	USED	CONTRACT	OVER/(UNDER)
				CONTRACT
October	9,765,000	9,618,000	(147,000)	(147,000)
November	9,450,000	8,929,000	(521,000)	(668,000)
December	9,765,000	9,000,000	(765,000)	(1,433,000)
January	9,765,000	9,113,000	(652,000)	(2,085,000)
February	9,135,000	8,747,000	(388,000)	(2,473,000)
March	9,765,000			
April	9,450,000			
May	9,765,000			
June	9,450,000			
July	9,765,000			
August	9,765,000			
September	9,450,000			

CLUTE		GALLONS	GALLONS	TOTAL
	CONTRACTED	ACTUALLY	OVER/(UNDER)	GALLONS
	GALLONS	USED	CONTRACT	OVER/(UNDER)
				CONTRACT
October	31,000,000	29,986,000	(1,014,000)	(1,014,000)
November	30,000,000	26,723,000	(3,277,000)	(4,291,000)
December	31,000,000	24,990,000	(6,010,000)	(10,301,000)
January	31,000,000	24,307,000	(6,693,000)	(16,994,000)
February	29,000,000	24,788,000	(4,212,000)	(21,206,000)
March	31,000,000			
April	30,000,000			
May	31,000,000			
June	30,000,000			
July	31,000,000			
August	31,000,000			
September	30,000,000			

FREEPORT		GALLONS	GALLONS	TOTAL
	CONTRACTED	ACTUALLY	OVER/(UNDER)	GALLONS
	GALLONS	USED	CONTRACT	OVER/(UNDER)
				CONTRACT
October	62,000,000	49,850,000	(12,150,000)	(12,150,000)
November	60,000,000	46,726,000	(13,274,000)	(25,424,000)
December	62,000,000	48,184,000	(13,816,000)	(39,240,000)
January	62,000,000	48,845,000	(13,155,000)	(52,395,000)
February	58,000,000	44,072,000	(13,928,000)	(66,323,000)
March	62,000,000			
April	60,000,000			
May	62,000,000			
June	60,000,000			
July	62,000,000			
August	62,000,000			
September	60,000,000			

2019-2020 WATER USAGE

LAKE JACKSON		GALLONS	GALLONS	TOTAL
	CONTRACTED	ACTUALLY	OVER/(UNDER)	GALLONS
	GALLONS	USED	CONTRACT	OVER/(UNDER)
				CONTRACT
October	62,000,000	48,827,000	(13,173,000)	(13,173,000)
November	60,000,000	41,630,000	(18,370,000)	(31,543,000)
December	62,000,000	49,427,000	(12,573,000)	(44,116,000)
January	62,000,000	42,103,000	(19,897,000)	(64,013,000)
February	58,000,000	29,069,000	(28,931,000)	(92,944,000)
March	62,000,000			
April	60,000,000			
May	62,000,000			
June	60,000,000			
July	62,000,000			
August	62,000,000			
September	60,000,000			

OYSTER CREEK		GALLONS	GALLONS	TOTAL
	CONTRACTED	ACTUALLY	OVER/(UNDER)	GALLONS
	GALLONS	USED	CONTRACT	OVER/(UNDER)
				CONTRACT
October	4,650,000	5,902,000	1,252,000	1,252,000
November	4,500,000	2,628,000	(1,872,000)	(620,000)
December	5,084,000	3,326,000	(1,758,000)	(2,378,000)
January	5,084,000	3,003,000	(2,081,000)	(4,459,000)
February	4,756,000	2,578,000	(2,178,000)	(6,637,000)
March	5,084,000			
April	4,920,000			
May	5,084,000			
June	4,920,000			
July	5,084,000			
August	5,084,000			
September	4,920,000			

RICHWOOD		GALLONS	GALLONS	TOTAL
	CONTRACTED	ACTUALLY	OVER/(UNDER)	GALLONS
	GALLONS	USED	CONTRACT	OVER/(UNDER)
				CONTRACT
October	7,285,000	6,573,000	(712,000)	(712,000)
November	7,050,000	6,147,000	(903,000)	(1,615,000)
December	7,285,000	6,586,000	(699,000)	(2,314,000)
January	7,285,000	6,922,000	(363,000)	(2,677,000)
February	6,815,000	6,481,000	(334,000)	(3,011,000)
March	7,285,000			
April	7,050,000			
May	7,285,000			
June	7,050,000			
July	7,285,000			
August	7,285,000			
September	7,050,000			

TDCJ CLEMENS		GALLONS	GALLONS	TOTAL
	CONTRACTED	ACTUALLY	OVER/(UNDER)	GALLONS
	GALLONS	USED	CONTRACT	OVER/(UNDER)
				CONTRACT
October	13,950,000	10,953,000	(2,997,000)	(2,997,000)
November	13,500,000	10,965,000	(2,535,000)	(5,532,000)
December	13,950,000	10,910,000	(3,040,000)	(8,572,000)
January	13,950,000	9,810,000	(4,140,000)	(12,712,000)
February	13,050,000	9,685,000	(3,365,000)	(16,077,000)
March	13,950,000			
April	13,500,000			
May	13,950,000			
June	13,500,000			
July	13,950,000			
August	13,950,000			
September	13,500,000			

2019-2020 WATER USAGE

TDCJ WAYNE SCOTT	CONTRACTED GALLONS	GALLONS ACTUALLY USED	GALLONS OVER/(UNDER) CONTRACT	TOTAL GALLONS OVER/(UNDER) CONTRACT
October	13,950,000	11,031,000	(2,919,000)	(2,919,000)
November	13,500,000	9,929,000	(3,571,000)	(6,490,000)
December	13,950,000	11,042,000	(2,908,000)	(9,398,000)
January	13,950,000	9,509,000	(4,441,000)	(13,839,000)
February	13,050,000	7,327,000	(5,723,000)	(19,562,000)
March	13,950,000			
April	13,500,000			
May	13,950,000			
June	13,500,000			
July	13,950,000			
August	13,950,000			
September	13,500,000			

DOW CHEMICAL	CONTRACTED GALLONS	GALLONS ACTUALLY USED	GALLONS OVER/(UNDER) CONTRACT	TOTAL GALLONS OVER/(UNDER) CONTRACT
October	31,000,000	26,253,000	(4,747,000)	(4,747,000)
November	30,000,000	26,873,000	(3,127,000)	(7,874,000)
December	31,000,000	27,186,000	(3,814,000)	(11,688,000)
January	31,000,000	26,303,000	(4,697,000)	(16,385,000)
February	29,000,000	24,563,000	(4,437,000)	(20,822,000)
March	31,000,000			
April	30,000,000			
May	31,000,000			
June	30,000,000			
July	31,000,000			
August	31,000,000			
September	30,000,000			

ROSENBERG 5.7 MGD	CONTRACTED GALLONS	GALLONS ACTUALLY USED	GALLONS OVER/(UNDER) CONTRACT	TOTAL GALLONS OVER/(UNDER) CONTRACT
October	176,700,000	99,990,784	(76,709,216)	(76,709,216)
November	171,000,000	79,721,856	(91,278,144)	(167,987,360)
December	176,700,000	80,656,768	(96,043,232)	(264,030,592)
January	176,700,000	70,708,096	(105,991,904)	(370,022,496)
February	165,300,000	62,991,616	(102,308,384)	(472,330,880)
March	176,700,000			
April	171,000,000			
May	176,700,000			
June	171,000,000			
July	176,700,000			
August	176,700,000			
September	171,000,000			

ROSENBERG 3.0 MGD	CONTRACTED GALLONS	GALLONS ACTUALLY USED	GALLONS OVER/(UNDER) CONTRACT	TOTAL GALLONS OVER/(UNDER) CONTRACT
October	93,000,000	99,990,784	6,990,784	6,990,784
November	90,000,000	79,721,856	(10,278,144)	(3,287,360)
December	93,000,000	80,656,768	(12,343,232)	(15,630,592)
January	93,000,000	70,708,096	(22,291,904)	(37,922,496)
February	87,000,000	62,991,616	(24,008,384)	(61,930,880)
March	93,000,000			
April	90,000,000			
May	93,000,000			
June	90,000,000			
July	93,000,000			
August	93,000,000			
September	90,000,000			

BWA Board Packet for March 24, 2020 Board Meeting

LAST UPDATED AT OUR JUNE 29, 2012 MEETING

	2020	2021	2022	2023	2024
JAN			BWA Salary Review		Board Approve: DCP; WCP;WCIR due TCEQ May 1, 2024; next due: May 1, 2029
FEB					
MAR	Fin. Audit Approval Rev. Personnel Policy Rev. Investment Pol.	Fin. Audit Approval Rev. Personnel Policy Rev. Investment Pol.	Fin. Audit Approval Rev. Personnel Policy Rev. Investment Pol.	Fin. Audit Approval Rev. Personnel Policy Rev. Investment Pol.	Fin. Audit Approval Rev. Personnel Policy Rev. Investment Pol.
APR	Begin Annual Expense Budget due Jul 1	Begin Annual Expense Budget due Jul 1	Begin Annual Expense Budget due Jul 1	Begin Annual Expense Budget due Jul 1	Begin Annual Expense Budget due Jul 1
MAY		Review Bylaws		Review Bylaws	
JUN	Approve Exp. Budg. due 7/1;Cap Budg due 10/1; Appt GM rev Committee	Approve Exp. Budg. due 7/1;Cap Budg due 10/1; Appt GM rev Committee	Approve Exp. Budg. due 7/1;Cap Budg due 10/1; Appt GM rev Committee	Approve Exp. Budg. due 7/1;Cap Budg due 10/1; Appt GM rev Committee	Approve Exp. Budg. due 7/1;Cap Budg due 10/1; Appt GM rev Committee
JUL	GM Perf Eval. Approve Cap Budget	GM Perf Eval. Approve Cap Budget	GM Perf Eval. Approve Cap Budget	GM Perf Eval. Approve Cap Budget	GM Perf Eval. Approve Cap Budget
AUG					
SEP	Installation of Board Members Election of Officers	Installation of Board Members Election of Officers	Installation of Board Members Election of Officers	Installation of Board Members Election of Officers	Installation of Board Members Election of Officers
OCT	Set date Nov/Dec mtg	Set date Nov/Dec mtg	Set date Nov/Dec mtg	Set date Nov/Dec mtg	Set date Nov/Dec mtg
NOV					
DEC					

THE STATE OF TEXAS
COUNTY OF BRAZORIA

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§
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COPY

AGREEMENT BETWEEN THE DOW CHEMICAL COMPANY AND BRAZOSPORT WATER AUTHORITY RELATING TO THE PUMPING, STORAGE AND TRANSMISSION OF UNTREATED WATER

THIS AGREEMENT BETWEEN THE DOW CHEMICAL COMPANY AND BRAZOSPORT WATER AUTHORITY RELATING TO THE PUMPING, STORAGE AND TRANSMISSION OF UNTREATED WATER (this "Agreement") is entered into on the ___ day of March, 2020, by and between THE DOW CHEMICAL COMPANY, a Delaware corporation (the "Company"), and BRAZOSPORT WATER AUTHORITY, a conservation and reclamation district, a governmental agency and body politic and corporate of the State of Texas (the "Authority"). This Agreement is deemed effective as of October 18, 2019.

WITNESSETH:

WHEREAS, 1985 Tex. Laws, Chapter 449 at 3063 authorizes the Authority to issue revenue bonds for the purpose of acquiring surface and underground water supplies from both inside and outside the boundaries of the Authority and conserving, storing, transporting, treating, purifying, distributing, selling and delivering water to persons, corporations, municipal corporations, political subdivisions of the State of Texas and others, inside and outside the boundaries of the Authority; and

WHEREAS, the Authority operates a water treatment and supply system that supplies potable water to Cities and other customers (the "Customers") pursuant to Water Supply Contracts between the Authority and each of the Customers; and

WHEREAS, in an effort to assist the Authority and the Authority's Customers in their plan to provide a dependable, safe, and economical supply of potable water within their respective service areas, the Company is willing to accommodate the Authority to use its raw water pumping, storage and transmission facilities to transport the water diverted from the Brazos River as authorized by the Authority's Permit (as hereinafter defined) to the intake structure for the Authority's treatment facility at 1251 FM 2004, Lake Jackson, Texas 77566; and

WHEREAS, the Authority has previously utilized the Company's facilities and without reliance upon any representation by the Company and the Authority concluded that the Company's facilities are still adequate to pump, store, transport, and deliver raw water from the Brazos River Basin to the Authority for the Authority's water treatment and distribution system;

NOW THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits of this Agreement, the Authority and the Company agree as follows:

Section 1: Definitions.

“Agreement” shall mean this Water Supply Agreement and any amendment or modifications thereto.

“Authority” shall mean Brazosport Water Authority and its successors and assigns under this Agreement.

“Authority’s Delivery Point” is described in Section 4(a).

“Authority’s Permit” means the 45,000 acre feet per year portion of the Company’s Water Rights Permit Number 1964 which the Company has previously sold and assigned to the Authority, which allows the Authority to deliver and use water from the Brazos River Basin and adjoining San Jacinto Brazos Coastal Basin.

“Brazoria Reservoir” is described in Exhibit “A” attached hereto.

“Commencement Date” shall mean the first day of the month following the execution of this Agreement.

“Company” shall mean The Dow Chemical Company and its successors and assigns under this Agreement.

“Company’s System” means the facilities, equipment, and other infrastructure owned or operated by the Company or its Affiliates that are used to pump, store, release, and deliver raw water to the Authority, the Company, and other industrial users. The term also includes any subsequent improvements, modifications, expansions, repairs, replacements or alterations thereto.

“Dow River Water Canal” is described in Exhibit “A” attached hereto.

“Force Majeure” is defined in Section 15 of this Agreement.

“Harris Reservoir” is described in Exhibit “A” attached hereto.

“Reservoirs” shall mean the Brazoria Reservoir, the Harris Reservoir or any reservoirs substituted therefor pursuant to the terms of Section 11.

“Term” is defined in Section 12 of this Agreement.

Section 2: Withdrawal of Water From Brazos River.

- (a) Beginning on the Commencement Date, the Company agrees to pump, up to a maximum of twelve thousand (12,000) gallons per minute, by means of pumps located near the Company's Harris and Brazoria Reservoirs, raw water from the Brazos River and adjoining San Jacinto-Brazos Coastal Basin under the Authority's Permit for the benefit of the Authority. The Authority shall notify the Company on a monthly basis, and more often as the need arises, as to the specific volume of water which the Company shall pump for the Authority.
- (b) If the Authority notifies the Company that it desires to increase the maximum rate of withdrawal under section 2(a) of this Agreement, the Company shall use reasonable efforts to accommodate such request, provided that (i) the Company has excess pumping capacity to deliver additional flow and/or (ii) the Authority is responsible for the capital project funds necessary for the installation of any additional pumping capacity needed to accommodate the request.

Section 3: Storage In Reservoirs.

The parties recognize that during certain periods the saline content of the water of the Brazos River at the points of withdrawal by the Company is so great as to make such raw water unsuitable for the Authority's use. Thus, it is necessary for the Authority to be able to withdraw stored reservoir water during such periods. For the full Term of this Agreement the Company will provide the Authority with a total of sixty (60) days storage capacity, based on the Authority's current surface water treatment plant capacity of fifteen and seven-tenths (15.7) million gallons per day, for the Authority's raw water in its combined Harris and Brazoria Reservoirs. The Authority shall notify the Company on a monthly basis, or more often as the need arises, as to the specific volume of the Authority's water which the Company shall store in its Reservoirs and as to the specific volume of the Authority's water which the Company should release from its Reservoirs.

Section 4: Delivery of Authority's Raw Water.

- (a) The Company will deliver raw water to the Authority at the Authority's raw water intake or intakes on the Dow River Water Canal. The location of the intake or intakes shall be in their currently existing locations and as indicated on Exhibit "A".
- (b) The Authority shall maintain the existing pumps for intake of the Authority's water and the metering equipment described in Section 7 of this Agreement at the Authority's Delivery Point. Such pumps and meters shall be the property of the Authority. Should the Authority modify the existing intake structure materially impacting the Company's System, the Authority's consulting engineer shall submit the Authority's modification plans and specifications to the Company for review. The Company must approve all such modifications prior to commencement of construction but such approval shall not be unreasonably withheld or delayed.

(c) Water to be delivered under this Agreement shall be delivered in such reasonable quantities and at such reasonable rates as requested by the Authority each month. Requests for deliveries of specific quantities shall take into account anticipated percentages for unaccounted water loss due to seepage, evaporation and other losses. The Authority shall keep the Company informed on an annual basis as to the quantities of treated water which the Authority anticipates delivering to its customers. The Authority may notify the Company as to water quantities to be pumped, stored or delivered to the Authority by orally notifying (in person or by telephone) any person among such of the Company's operating personnel as may be designated in writing by the Company to the Authority, so long as such oral notice is confirmed in writing within five (5) days of such notice. The Company shall so designate such latter persons prior to the Commencement Date and from time to time after such initial designation as changes in the Company's personnel or their duties may require. The Company shall use its best efforts to deliver to the Authority that quantity of the Authority's water which the Authority specifies, provided there is water in the Brazos River sufficient to satisfy the demands of Dow and the Authority in accordance with the law, the diversion complies with the Authority's Permit, the Authority has unused storage space in the Reservoirs, and the Dow River Water Canal can transport the quantity of water requested by the Authority and required by the Company. Notwithstanding anything in this Agreement to the contrary, however, the company shall never be required to deliver water in excess of the quantity of water for which the Authority has a valid water rights permit or contractual right to the use of raw water.

(d) Subject only to the Company's obligation to pump, store, release, and deliver water to the Authority as provided by this Agreement, the Company shall have the exclusive right to the use of the Company's System without hindrance from the Authority, or the employees or other agents of the Authority and the Company may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage, and keep up the Company's System.

(e) The Authority recognizes the right of the Company to maintain and operate the Company's System in any lawful manner and to any lawful extent the Company may see fit. Except as otherwise provided herein, there shall be no obligation hereunder upon the Company to release or not to release any impounded waters at any time or to maintain any waters at any specified levels.

(f) The Authority agrees that in the event of water shortage, the Company shall incur no liability for the reduction or termination of delivery of the Authority's water to the Authority as provided by this Agreement, when, in the Company's reasonable judgment, such action is necessary to comply with any order of any court or administrative body or any statute or regulation of any governmental body having appropriate jurisdiction. In the event of an extended shortage of water, or in the event of drought of greater severity than that previously experienced or for any other reason water becomes in short supply, the Company agrees that it will fairly and equitably apportion and ration the available supply as between persons other than the Company, including the Authority, with intake structures in the Company's System in the manner provided by law.

Section 5: Charges.

On the Commencement Date and continuing on the first day of each calendar month thereafter, the charge per thousand gallons of water which the Authority shall pay will be increased or decreased according to the following formula:

$$\{.63 \times \frac{\text{PPI}(1)}{\text{PPI}(2)} + .25 \times \frac{\text{CP}(1)}{\text{CP}(2)} + .12\} \$0.21$$

PPI(1): The average of the Producer's Price Index for April, May and June of the immediately preceding calendar year.

PPI(2): The Producer's Price Index on the Effective Date (Commencement Date) of this Agreement.

The term "Producer's Price Index" means the Producer's Price Index for industrial commodities less fuels (1982 = 100), as prepared by the U. S. Department of Labor/Bureau of Labor Statistics, as printed on the Bureau of Labor Statistics' website. If the Producer's Price Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination thereof shall be made with the use of such conversion factor, formula or table for converting the same as may be published by the Department of Labor or, if it does not publish the same, then with the use of such conversion factor, formula or table as may be published by any nationally recognized publisher of similar statistical information. If the Producer's Price Index shall cease to be published, then, for the purposes of this section, there shall be substituted therefor such other independently published index as may be mutually agreed upon by the parties.

CP(1): The average of the actual price, expressed in mills per kilowatt hour, paid by the Company to Company's electrical supplier, or any successor supplier, for power supplied to the Company's Harris and Brazoria Reservoirs, or replacement reservoirs, during April, May, and June of the immediately preceding calendar year.

CP(2): The actual price, expressed in mills per kilowatt hour, paid by the Company to Company's electrical supplier, or any successor supplier, for power supplied to the Company's Harris and Brazoria Reservoir Reservoirs on the Effective Date (Commencement Date) of this Agreement.

No more than once during each year of the Agreement if either party feels that the aforesaid formula creates an unreasonable burden on that party's abilities to perform its obligations hereunder and so notifies the other party of that fact in writing, the parties shall use their best efforts to adjust the formula in a mutually satisfactory manner and so amend this Agreement. If the parties are unable to agree on an adjustment to the formula, this Agreement shall nonetheless continue in full force and effect and the formula shall continue to be applied for the remainder of the Term of this Agreement.

Section 6: Billing.

The Company shall bill the Authority on a monthly basis. Invoices received by the 10th day of the calendar month shall be due and payable within thirty (30) days. Charges unpaid thereafter shall bear interest at a rate of ten percent (10%) per annum.

Section 7: Measurement.

Raw water delivered to the Authority shall be measured by a recording device of standard type approved by the Company. Such device shall be located at the Authority's intake point or points on the Dow River Water Canal and will be owned and maintained by the Authority. Such meter shall be read by a representative of the Authority in the presence of a representative of the Company on the first day of each calendar month. Further, such meter shall be tested for accuracy by and at the expense of the Authority once each calendar year at intervals of approximately twelve (12) months. However, in the event any question arises at any time as to the accuracy of the meter, the meter shall be tested promptly upon the demand of either party, the expense of such test to be borne by the demanding party if the meter is found to be correct and by the other party if the meter is found to be incorrect. Readings within two percent (2%) of accuracy, plus or minus, shall be considered to be correct. If, as a result of any test, any meter is found to be registering inaccurately (i.e., in excess of two percent (2%) of accuracy, plus or minus), the readings of such meter shall be corrected at the rate of its inaccuracy for any period which is definitely known and agreed upon, but in case the period is not definitely known and agreed upon, then a period extending back half the time elapsed since the last previous test shall be used as the basis for correction; and the account between the parties shall be adjusted accordingly. Following each test of a meter, the same shall be adjusted to register accurately. The Authority shall orally notify the Company prior to making each test of the meter and the Company shall have the right to have a representative present at each test to observe the same and any meter adjustments found thereby to be necessary.

Section 8: Maintenance.

The Company shall maintain its System, at all times, at the Company's sole cost and expense, in good operating condition and at such capacity and otherwise as may be necessary to comply with its obligations under this Agreement. The Company may, without liability or default, interrupt its service hereunder to make necessary alterations or repairs to its System, but only if such interruption cannot reasonably be avoided. In the event the Company must make necessary alternations or repairs to its System that results in such interruption, the Company will use reasonable efforts provide written notice to the Authority at least seventy-two (72) hours in advance of said interruption.

Section 9: No Warranty or Liability.

(a) The Company MAKES NO WARRANTY to the Authority of any kind or nature, either expressed or implied, as to the quality of the Authority's water transmitted and delivered pursuant to this Agreement for any intended use by the Authority and the Authority does hereby relieve the

Company from any and all responsibility or liability of any nature or kind whatsoever because of the quality of the water so delivered by the Company or the use made of such water by the Authority.

(b) The Authority recognizes that the Company's obligation hereunder is solely to pump, transmit and deliver the Authority's raw water to the Authority's water treatment facilities and that the Company maintains its System for the purpose of supplying raw water for industrial purposes to the Company and other industrial uses. Thus the Authority assumes all responsibility for safety or security in connection with the Authority's purpose of supplying potable water to its Customers for municipal and domestic purposes. The Company agrees to cooperate with the Authority by giving the Authority access to the Company's System for such purposes, but all cost and expense of such safety and security shall be borne by the Authority.

Section 10: Substitution of Facilities.

The Company shall have the right at any time to substitute facilities or equipment constituting a part of the Company's System as long as the substituted facilities or equipment are of reasonably equivalent quality, effectiveness and use and allow the Company to satisfy its obligations hereunder and the obligations of the Authority to any party to whom it supplies treated water without any reduction in quality or quantity of service or interruption of service. Any substitution of facilities by the Company that materially increases the charges permitted herein, shall be subject to the written consent of the Authority, which consent shall not be unreasonably withheld or delayed, and negotiation of an alternative formula for such charges.

Section 11: Term.

(a) This Agreement shall remain in effect from the effective date set forth above until four (4) years from the date of execution (the "Term").

(b) If the Company notifies the Authority that it desires to retire the Company's System, the Authority shall have the right to purchase the Company's System, or any portion thereof, from the Company at any time mutually agreeable to the parties during the relevant at a price equal to the fair market value thereof, and this Agreement shall terminate upon the closing of the purchase and sale of the Company's System, or any portion thereof, by the Authority.

(c) If this Agreement is still in effect on January 1, 2024, the parties will discuss a renewal or extension of this Agreement.

Section 12: Default and Remedies.

The following shall be considered default under this Agreement:

(a) the failure of either party to perform and observe in a timely manner any obligations or covenants contained in this Agreement and such failure is not cured within

thirty (30) days after written notice, specifying such default, is given to the nonperforming party by the other party;

(b) the total failure of the Company to deliver water to the Authority pursuant to the terms of this Agreement other than by reason of Force Majeure or in order to make the repairs provided for in this Agreement.

Section 13: Remedies Upon Default.

It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by either party and shall be cumulative. Recognizing, however, that the Authority's undertaking to provide and maintain services as provided herein is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone, the Company agrees, in the event of any default on its part, that the Authority shall have available to it the equitable remedy of specific performance in addition to any other legal or equitable remedy which may also be available to the Authority. Dow nor the Authority shall be liable to the other for incidental, special or consequential damages arising out of, or connected with, this Agreement.

Section 14: Force Majeure.

If Force Majeure prevents either party hereto from performing any of its obligations under this Agreement, in whole or in part, then the obligations of such party, to the extent affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, so long as such party is exercising due diligence to resume performance at the earliest practicable time. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the party whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other party. The term "Force Majeure", as used herein, shall include, without limitation of the generality thereof, acts of God, acts of the public enemy, orders of the government of the United States, of the state of Texas, of any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbance, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply and inability on the part of the company to deliver water necessary for the Authority to meet its contractual obligations to its customers, whether similar to those enumerated or otherwise, which are not within the control of the party claiming such inability, and which such party could not have avoided by the exercise of due diligence and care.

Section 15: Addresses and Notice.

Unless otherwise provided in this Agreement, any notice, communication, request, reply, or advise (herein severally and collectively for convenience called "Notice") herein provided or permitted to be given, made, or accepted by either party to the other must be in writing and may be given or be served by depositing the same in the United States mail, postpaid and certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party or by prepaid telegram when appropriate, addressed to the party to be notified.

Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective upon deposit in the United States mail. Notice given in any other manner shall be effective only when received by the party to be notified. For the purpose of notice the addresses of the parties shall be as follows:

If to the Authority to: Brazosport Water Authority
1251 FM 2004
Lake Jackson, TX 77566
ATTN: General Manager

With Copy to: Jason M. Cordoba, Attorney at Law
85 Oak Drive, Suite 102
Lake Jackson, TX 77566

If to the Company to: The Dow Chemical Company
332 SH 332E
APB Building
Lake Jackson, TX 77566
ATTN: Dow Services Business Contract Manager

With Copy to: Carlos Moreno
332 SH 332E
APB Building
The Dow Chemical Company
Lake Jackson, TX 77566

The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least three (3) days written notice to the other party.

Section 16: Severability.

The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 17: Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement, however, may not be assigned in whole or in part by either the Company or the Authority without the written consent of the other,

except that the parties recognize that this assignment provision is subject to the provisions of any indentures or bond resolutions pursuant to which the Authority shall issue bonds for the purpose of financing the Authority's System. The parties recognize that it is essential to the security of the owners of the Authority's bonds and the Authority's wholesale customers of treated water that the Authority is supplied with raw water as agreed upon herein. Thus, as long as this Agreement is in effect, the covenants of the Company contained herein shall run with the Company's System and shall be binding upon all subsequent owners thereof.

Section 18: Applicable Law.

This Agreement shall be construed under the laws of the State of Texas. All amounts due under this Agreement, including, but not limited to, payments due under the Agreement or damages for the breach of this Agreement, shall be paid and be due in Brazoria County, Texas, which is the county in which the principal administrative offices of the parties are located. It is specifically agreed among the parties to this Agreement that Brazoria County, Texas, is the place of performance of this Agreement, and in the event that any judicial proceeding is brought to enforce this Agreement, or any provision hereof, the same shall be brought in Brazoria County, Texas.

Section 19: No Additional Waiver Implied.

No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.

Section 20: Modification.

This Agreement shall be subject to waiver or modification only with by a written document, signed by both parties. Any other attempted waiver or amendment shall have no effect, regardless of its formality, consideration, detrimental reliance or conduct of the parties. hereto. Before signing this Agreement and any modification approval by the Authority's board of directors in a public meeting subject to the Texas Open Meetings Act shall be obtained and all other of the Authority's internal approvals shall be completed. Before signing this Agreement and any modification all of the Company's internal approvals shall be completed.

Section 21: Parties in Interest.

This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall not construed to confer any rights upon any third party. Nothing herein shall be construed to confer standing to sue upon any third party who did not otherwise have such standing.

Section 22: Captions.

The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement, or any provisions hereof, or in connection with the duties, obligations, or liabilities of the respective parties hereto or in ascertaining intent, if any questions of intent should arise.

Section 23: No Partnership.

The parties of this Agreement do not intend that this Agreement establishes, nor shall this Agreement be construed in any way to establish a partnership or joint venture, or employer-employee relationship between the parties to this Agreement.

Section 24: Regulatory Provision.

This Agreement shall be subject to all valid rules, regulations, and laws applicable hereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 25: Exhibits.

All Exhibits attached hereto are incorporated into this Agreement for all purposes.

Section 26: Void Provisions.

In the event that any provision of this Agreement is declared void by any court of law, the Company and the Authority agree to negotiate in good faith to develop a substitute provision.

Section 27: Merger.

This Agreement constitutes the entire agreement between the parties relative to the subject matter hereof. There have been and are no agreements, covenants, representations or warranties between the parties other than those expressly stated herein or expressly provided for herein.

WITNESS the execution hereof as of the date set forth above.

BRAZOSPORT WATER AUTHORITY

By: _____

ATTEST:

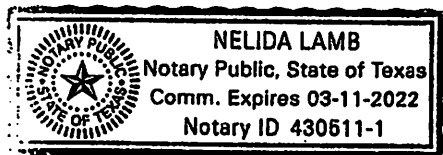
(SEAL)

THE DOW CHEMICAL COMPANY

By: TR A Wells

ATTEST:

(SEAL)



THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

Before me, the undersigned authority, on this day personally appeared _____, _____ of BRAZOSPORT WATER AUTHORITY, a conservation and reclamation district and a governmental agency and body politic and corporate of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said Water Authority.

Given under my hand and seal of office on this ____ day of _____, 2020.

Notary Public, State of Texas

(SEAL)

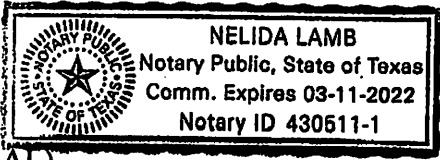
Notary's name printed:

My commission expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

BEFORE ME, the undersigned authority, on this day personally appeared Rich A. Wells, Site Director Texas Operations of THE DOW CHEMICAL COMPANY, a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated as the act and deed of said corporation.

Given under my hand and seal of office on this 3rd day of March, 2020.



(SEAL)

Nelida Lamb
Notary Public, State of TEXAS

Notary's name printed:
Nelida Lamb

My commission expires: 3-11-22

Exhibit "A"

Brazoria Reservoir

BRAZORIA RESERVOIR IS AN OFF-CHANNEL EARTHEN EMBANKMENT 411 RESERVOIR LOCATED NORTHEAST OF THE CITY OF BRAZORIA, TEXAS IN THE STEPHEN F. AUSTIN FIVE LEAGUES GRANT, A-19, BRAZORIA COUNTY, TEXAS; SAID RESERVOIR LIES WITHIN THE BOUNDS OF THE REMAINDER OF THAT CERTAIN TRACT DESCRIBED IN A DEED TO DOW CHEMICAL COMPANY RECORDED IN VOLUME 504, PAGE 22 OF THE DEED RECORDS OF BRAZORIA COUNTY, TEXAS; SAID RESERVOIR IS SITUATED MORE PARTICULARLY AS FOLLOWS:

BEGINNING at the intersection of the North right of way line of S.H. 332 with the East or Southeast right of way line of the Missouri-Pacific Railroad right of way, said intersection is at or near the intersection of S.H. 332 with F.M. 521;

THENCE in a Northeasterly direction along the East or Southeast right of way line of the Missouri-Pacific Railroad approximately 17,800 feet to the North line of the aforementioned Dow Chemical Company tract;

THENCE in an Easterly direction along the North line of said Dow Chemical Company tract approximately 2,400 feet to the Northeast corner of said tract;

THENCE in a Southerly direction along the most Easterly East line of said Dow Chemical Company tract approximately 8,300 feet to the most Easterly Southeast corner of said Dow Chemical Company Tract;

THENCE in a Westerly direction along the most Northerly South line of said Dow Chemical Company tract approximately 2,000 feet to an interior eli corner;

THENCE in a Southerly direction along the most Westerly East line of said Dow Chemical Company tract to the Point of Beginning.

Dow River Water Canal

THE DOW RIVER WATER CANAL IS A MAN-MADE CANAL SITUATED IN THE JARED E. GROCE SIX LEAGUES GRANT, A-66 AND IN THE STEPHEN F. AUSTIN FIVE LEAGUES GRANT, A-19, BRAZORIA COUNTY, TEXAS; THE CANAL IS SITUATED MORE PARTICULARLY AS FOLLOWS:

BEGINNING at the Lake Jackson pump station on the West bank of Oyster Creek, approximately 100 feet North of the North right of way line of F.M. 2004;

THENCE in a Southwesterly direction, crossing a common line of said Austin and Groce Grants, approximately 3,500 feet to an angle point near the North right of way line of S.H. 332;

THENCE in a Southerly direction, crossing S. H. 332 approximately 800 feet Northwest of the centerline intersection of S. H. 332 with F.M. 2004, approximately 5,000 feet to the point of intake for the Brazosport Water Authority Water Treatment Plant.

Harris Reservoir

HARRIS RESERVOIR IS AN OFF-CHANNEL EARTHEN EMBANKMENT RESERVOIR LOCATED NORTHWEST OF THE CITY OF ANGLETON, TEXAS IN THE WILLIAM HARRIS LEAGUE, A-71 AND IN THE WILLIAM PARKER LEAGUE, A-104, BRAZORIA COUNTY, TEXAS; THE RESERVOIR IS SITUATED WITHIN THOSE CERTAIN TRACTS DESCRIBED IN AN INSTRUMENT RECORDED IN VOLUME 453, PAGE 607 OF THE DEED RECORDS OF BRAZORIA COUNTY, TEXAS; THE RESERVOIR IS SITUATED MORE PARTICULARLY AS FOLLOWS:

BEGINNING at the Northeast corner of those certain tracts referred to above, at or near the Western terminus of County Road 34;

THENCE in a Westerly direction along the North line of those certain tracts referred to above approximately 10,300 feet to the left descending bank of the Brazos River at the Northwest corner of said tracts;

THENCE in a Southerly direction along the left descending bank of the Brazos River along the West line of those certain tracts referred to above, passing the common line of the said Harris and Parker Leagues, and continuing to the South line of the Parker League at the Southwest corner of said tracts;

THENCE in an Easterly direction along the South line of those certain tracts referred to above and along the South line of said Parker League approximately 9,100 feet to Oyster Creek at the most Southerly Southeast corner of said tracts;

THENCE in a Northerly direction along Oyster Creek and the East line of those certain tracts referred to above to a point on the common line of the said Harris and Parker Leagues at which point the herein described line departs Oyster Creek;

THENCE in a Northerly direction continuing along the East line of those certain tracts referred to above approximately 2,300 feet to the Point of Beginning

Authority's raw water intake or intakes on the Dow River Water Canal

