

Upon motion duly made by Supervisor Hamilton, seconded by Supervisor Casher, the Board voted unanimously to (1) accept the Bookkeeper's Report as presented; and (2) authorize the payment of the checks and invoices listed therein.

2. TAX REPORT

The President then recognized Mr. Hernandez, who presented to the Board the Tax Report, a copy of which is on file in the Official Records of the District.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Carreon, the Board voted unanimously to approve the Tax Report.

3. ATTORNEY'S REPORT

The Board recognized Mr. Willis, who presented the Attorney's report as follows:

A. Approval of Minutes.

Proposed minutes of the regular meeting held on July 20, 2017, were presented for approval. At the request of Supervisor Carreon, approval of the minutes was deferred.

B. Report on Certificates of Convenience and Necessity ("CCNs").

No action was taken on the CCNs.

C. Regional Plant Committee Report.

Supervisor Hamilton presented to the Board the Regional Plant Committee Report.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Fleck, the Board voted unanimously to approve the Regional Plant Committee Report.

D. Regional Facilities Contract.

No action was taken in connection with the Regional Facilities Contract.

E. Five Year Financing Plan.

No action was taken in connection with the Five-Year Financing Plan.

F. Application to TWDB.

No action was taken on this matter.

G. Discuss 2017 Tax Levy and Call Public Hearing.

The Board next recognized Mr. Smalling, and considered a Tax Rate Analysis, prepared by the District's Financial Advisor, a copy of which is on file in the Official Records of the District. Mr. Smalling noted that Baird recommends a debt service tax rate of \$0.50 and an operation and maintenance tax of \$0.50 for a total tax rate of \$1.00 per \$100 assessed valuation. Mr. Willis reminded the Board that setting the tax

rate is a two-step process. The first step is to establish a proposed tax rate, to a call a public hearing on the proposed tax rate and to authorize publication of notice of the proposed tax rate and public hearing in a newspaper of general circulation in the County. The second step is to conduct the public hearing and officially set the tax rate.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to (1) establish its intent to set and levy (i) a debt service tax rate for 2017 of \$0.50, and (ii) an operation and maintenance tax of \$0.50 for a total tax rate of \$1.00 per \$100 assessed valuation, (2) to call a public hearing on the proposed tax rate for Thursday, September 21, 2017 at 6:00 p.m. at the regular meeting place of the Board and (3) to authorize SKLaw to publish notice of the proposed tax rate and public hearing.

H. Resolution Regarding Annual Review of Investment Policy

At this time, the Board conducted the Annual Review of the District's Investment Policy.

Upon a motion duly made by Supervisor Casher, seconded by Supervisor Fleck, and after full discussion, the Board voted unanimously to approve the Resolution Regarding Annual Review of the Investment Policy.

I. Approve Addendum to Operator's Contract

This item was deferred until the Operator's Report.

J. Discuss and take action on Strategic Partnership Agreement with City of Houston and City of Pearland.

No action was taken on this matter.

4. OPERATOR'S REPORT/TERMINATION OF SERVICE

Next, the Board recognized Ms. Campbell who submitted to and reviewed with the Board the Operator's Report, a copy of which is on file in the official records of the District.

Ms. Campbell reported as follows:

- The District pumped a total of 8,775,000 gallons of water for the month.
- The District has 687 connections.
- The billed to pumped ratio was 84.3%.
- Ms. Campbell reported that the repair of the booster pump and the booster pump motor at the water plant was in progress.
- Ms. Campbell reported that the replacement of the check valve on the booster pump at the water plant was in progress.
- Ms. Campbell reported that the water well motor at the water plant need to be repaired. The cost of estimated cost of such repairs is \$25,785.00. EDP has filed an insurance claim for the repairs. On a motion by Supervisor Casher, seconded Supervisor Fleck, and after full discussion, the Board voted unanimously to approve repairs to the water well motor.
- Supervisor Carreon requested that the Interconnect Meter Reads list in the report identify the City of Arcola.

A. Approval of Repairs to Water System.

Ms. Campbell informed the Board that the relocation and adjustment of water lines identified in conflict with the road widening project from Nail Road to South Post Oak from Station 73 to Station 105 had been completed.

Additionally, Ms. Campbell informed the Board that Nail Road East to the bayou was approved at the September 22nd meeting, (Station 105 to Station 121) had been completed, and the second portion of the water line relocation had been completed.

South Post Oak to Indiana (Station 63 to Station 74) had been completed.

B. Approval of Requests for Water Taps.

EDP installed residential taps and meters at 15 locations for a total of \$10,237.50.

C. Region H Water Planning Group - Survey

Ms. Campbell reported that the Region H Water Planning Group had contacted the District requesting the District complete a survey disclosing population, water demand projections, existing infrastructure, and plans for future water management strategies. This information will be submitted to the Texas Water Development Board ("TWBD") and used to compile the State Water Plan.

Upon a motion from Supervisor Casher, seconded by Supervisor Fleck, and after full discussion, the Board voted unanimously to submit the survey subject to review by the District Engineer.

D. Operator Service Agreement Amendment Request

The Board recognized Ms. Campbell who reported that June 25th marked EDP's five-year anniversary as the District's Operator. Ms. Campbell requested that the Board consider a service rate adjustment and an addendum to the Operator Service Agreement between the District and EDP, a copy of which is on file in the Official Records of the District. The proposed rate increase reflects an approximate increase of 10.19% which is an average increase of 2.03% per year since EDP began providing services to the District five years ago.

Upon a motion duly made by Supervisor Casher, seconded by Supervisor Fleck, and after full discussion, the Board voted three Ayes (Supervisors Casher, Fleck, and Hamilton) to two Nays (Supervisors Carreon and Medina) to approve the amendment to the Operator Service Agreement.

E. Termination of Water Service.

Consideration was then given to the termination of water service to the delinquent accounts listed on the Termination List in the Operator's Report. The Board noted that there were no customers present at the meeting who wished to address the Board regarding their water bills or to protest termination of water service.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Medina, the Board voted (i) to authorize the Operator to terminate service to the accounts listed on the Termination List with the assistance of a peace officer, if necessary; and (ii) approve the Operator's Report.

5. ENGINEER'S REPORT

The Board recognized Mr. Sharkey, who presented the Engineer's Report as follows:

A. Status of Projects.

1.) Teleview Terrace Water and Wastewater Plumbing Contract

- Contractor has completed a majority of the project except for the plugging of five (5) water wells and site cleanup. 157 properties were connected to the District's water and wastewater system through this project.
- Jacobs anticipates remaining work to be completed in August.
- Mr. Sharkey presented to the Board for consideration and approval Pay Estimate No. 5 from Reddido Construction Co. ("Reddido") in the amount of \$353,502.49. Mr. Sharkey recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 5.

2.) Water and Wastewater Plumbing Contract for Marbill Estates, and Ridgewood Estates Subdivisions, and North and South Teague Road

- Contractor continues to complete construction of water and waste water services lines and decommission of septic tanks. Jacobs anticipates completion before the end of the year.
- Mr. Sharkey presented to the Board for consideration and approval Invoice No. 2 from Geotest in the amount of \$5,788.05 for material testing services. Mr. Sharkey recommended approval of the Invoice. Upon motion duly made and seconded, the Board voted unanimously to approve Invoice No. 2.
- Mr. Sharkey noted that he anticipates one final change order to add properties at the September Board meeting.

3.) Phase II Water Plumbing Contract (Including Davis and West Davis Roads)

- Contractor currently working on installation of water service lines throughout project. Jacobs anticipates completion of the project by end of this year.
- Six Turner CCN properties remain to be connected.
- Mr. Sharkey presented to the Board for consideration and approval Pay Estimate No. 2 from T-Construction, LLC ("T-Construction"), for construction of the project in the amount of \$153,880.02. Mr. Sharkey recommended approval of the Pay Estimate. Upon a motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 2.
- Mr. Sharkey noted that he anticipates one final change order to add properties at the September Board meeting.

4.) Fresno Gardens North Wastewater Collection System

- Jacobs is in the process of completing construction drawings for agency review.

5.) Fresno Gardens North Wastewater Plumbing Contract

- Townhall meetings will be conducted once the public wastewater lines for this area are under construction.

6.) Gateway Acres Subdivision Wastewater Collection System

- Jacobs is working on construction drawings for agency review.

7.) Fresno Ranchos Subdivision Wastewater Lift Station and Force Main.

- Jacobs is in the process of completing a preliminary engineering report for Board approval. The surveyor completed the topographic survey for the project, and the District awaits a lease agreement with Fort Bend County for use of Fort Bend County's property as a lift station site.

8.) Gateway Acres Subdivision Wastewater Plumbing Contract

- Townhall meetings will be conducted once the public wastewater lines are under construction.

B. Authorize Engineer to prepare plans and specifications for Projects

1.) Water Plant No. 2

- RODS SUE completed subsurface utility investigation and located the Centerpoint 4" steel gas line. Jacobs will be updating the water plant layout and will present the revised layout at September Board meeting.
- LBJ Guyton should have the well siting study report complete soon and it will be presented at the September Board meeting.
- Mr. Sharkey presented to the Board for consideration and approval Invoice No. 1 from LBG-Guyton for work associated with the well siting study in the amount of \$3,205.35. Mr. Sharkey recommended approval of the Invoice. Upon a motion duly made and seconded, the Board voted unanimously to approve the payment of Invoice No. 1.

C. Report on Status of Project Funding and Take Necessary Action Thereto

1.) One Year Warranty Expiration Dates

- Phase II waterline improvements – 09/19/2017
- Davis and W. Davis waterlines – 10/17/2017
- Marbill and Ridgewood Estates Water and Wastewater Lines – 03/15/2018
- Phase III Water Service Lines – 05/17/18

2.) \$1,000,000 Interest Free Loan

- Jacobs recommends that the remaining approximately \$13,000 be used during the District's Phase II Water Service Lines Project. Mr. Willis is working with TWDB to resolve this matter.

3.) Third TWDB CWSRF Loan

- Jacobs is working to secure the loan in order to complete the Fresno Gardens North Subdivision Wastewater System, Gateway Acres Subdivision Wastewater System, and Fresno Ranchos Subdivision Lift Station and Force Main Project.

4.) FY08 EPA STAG Grant

- District has \$216,347.60 in remaining funds to be used during Phase 2 Waster Service Line Project and Phase 3 Water Service Line Project
- Reimbursement requests submitted to Fort Bend County:
 - #1 for \$90,575.60 on 5/25/17 = Payment received
 - #2 for \$59,935.59 on 5/25/17 = Payment received
 - #3 for \$24,919.57 on 6/14/17 = Payment received
 - #4 for \$40,916.84 on 8/1/17 = Waiting on final grant payment

5.) FBC FY14 CDBG Funds

- The District has received \$217,467.00 in funds from Fort Bend County CDBG Department to be used for the following projects:
 1. Televue Terrace Subdivision Water and Wastewater Plumbing Contract
 2. Marbill Estates and portion of Ridgewood Estates Subdivisions and North and South Teague Road Water and Wasterwater Plumbing Contract.
- After pending requests, the District will have approximately \$42,509.72 remaining.

D. Projections for District Water and Wastewater Projects

- Project exhibits have been updated

E. Discuss Emergency Preparedness Plan

- Emergency Preparedness Plan will be reviewed in April 2018 to determine if any updates are required.

F. Requests for Water and Sewer Service

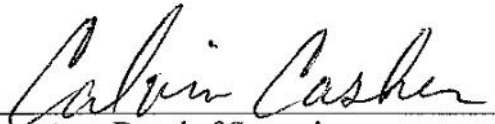
- There were no new requests for service.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to approve the Engineer's Report.

7. HEAR FROM THE PUBLIC

At this time, the Board opened the meeting to comments from the public.

PASSED, ADOPTED, and APPROVED this September 21, 2017.


Secretary, Board of Supervisors

