

**MINUTES OF THE MEETING OF  
FORT BEND COUNTY FRESH WATER SUPPLY DISTRICT NO. 1**

August 18, 2016

**STATE OF TEXAS**

**COUNTY OF FORT BEND**

The Board of Supervisors (the “Board”) of Fort Bend County Fresh Water Supply District No. 1 of Fort Bend County, Texas (the “District”), met in regular session, open to the public, on August 18, 2016, commencing at 6:00 p.m. at the Mustang Community Center, 4521 FM 521 North, Fresno, Fort Bend County, Texas, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to wit:

Paul Hamilton	President
Greg Fleck	Vice President
Calvin Casher	Secretary
Rodrigo Carreon	Assistant Secretary
Rosa Linda Medina	Assistant Secretary

All members of the Board were present, thus constituting a quorum.

Also present at the meeting were: Tracy Butcher with Environmental Development Partners (“EDP”), Operator for the District; Phyllis Herbst, the District’s Bookkeeper; Felipe Gonzalez Hernandez, the District’s Tax Assessor; David Smalling with Robert W. Baird & Co. (“Baird”), the District’s Financial Advisor; Michael Gutierrez with Fort Bend County Precinct 1; members of the public, the names of which are on the attached attendance sheet; and Michael R. Willis of Sanford Kuhl Hagan Kugle Parker Kahn LLP (“SK Law”), the District’s Attorney.

The meeting was called to order and the following business was transacted.

**1. BOOKKEEPER’S REPORT**

The Board next considered the Bookkeeper’s Report presented by Ms. Herbst, a copy of which is attached hereto, and the invoices and checks presented for payment as follows:

**A. Approval of Bills.**

The Board reviewed the bills presented for payment.

**B. Review Investment Report.**

No Investment Report was given.

**C. Review Collateral Pledge Report.**

No Collateral Pledge Report was given.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Fleck, 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 Board next considered the Tax Report, presented by Mr. Hernandez.

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

**3. ATTORNEY'S REPORT**

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

**A. Approval of Minutes.**

The Board deferred action on the minutes.

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

Mr. Willis updated the Board concerning the Orbit CCN transfer application. No action was necessary in connection therewith.

**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 Carreon, the Board voted unanimously to approve the Regional Plant Committee Report.

**D. Regional Facilities Contract**

Mr. Willis advised the Board that the City of Arcola has inquired about a potential lease of a small amount of the District's wastewater treatment plant capacity, on a temporary basis, in connection with a development project in the City. Mr. Willis explained that the lease would be conditional on a number of factors, including but not limited to the City's treatment plant expansion not being complete prior to the development's need for the capacity. Upon motion duly made and seconded, the Board authorized the Engineer to review a potential lease, and contact the City concerning a list of questions in connection with the proposed lease.

**E. Five Year Financing Plan**

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

**F. Amend Rate Order**

No action was taken in connection with the Rate Order.

**G. Electronic Payment Agreement with First Billing**

No action was taken in connection with the Electronic Payment Agreement.

**H. Discuss 2016 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, Baird, a copy of which is attached hereto. 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 SK Law to publish 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 Medina, seconded by Supervisor Fleck, the Board voted unanimously to (1) establish its intent to set and levy (i) a debt service tax rate for 2016 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 15, 2016 at 6:00 p.m. at the regular meeting place of the Board and (3) to authorize SK Law to publish notice of the proposed tax rate and public hearing.

**I. Resolution Regarding Annual Review of Investment Policy**

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

Upon motion duly made by Supervisor Medina, seconded by Supervisor Fleck, the Board voted unanimously to approve the Resolution Regarding Annual Review of the Investment Policy.

**4. OPERATOR'S REPORT/TERMINATION OF SERVICE**

The Board next recognized Mr. Butcher, who submitted to and reviewed with the Board the Operator's Report, a copy of which is attached hereto.

Mr. Butcher reported as follows:

- The District pumped a total of 5,316,000 gallons of water for the month.
- The District has 591 connections.
- The billed to pumped ratio was 80.1%.
- Mr. Butcher advised the Board of the new electronic payment options. Mr. Butcher explained that EDP would provide the agreement with First Billing Services at the September meeting for approval.
- Supervisor Carreon discussed with Mr. Butcher flushing the fire hydrants in the District.

**A. Approval of Repairs to Water System.**

Mr. Butcher advised that EDP completed the repair to Booster Pump No. 3 at the water plant, as approved at the July meeting.

**B. Approval of Requests for Water Taps.**

Mr. Butcher reported that EDP installed a residential tap and meter at one location for a total of \$682.50.

**C. 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 Medina, seconded by Supervisor Casher, the Board voted unanimously (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. Dybala, who presented the Engineer's Report as follows:

**A. Status of Projects.**

**1. Teleview Terrace Water and Wastewater Plumbing Contract**

- The Contract manual is finalized and submitted to the TWDB and Fort Bend County Community Development Department for their review and approval to advertise. In connection therewith, Mr. Dybala requested approval to advertise once all agency approvals have been received. Upon motion duly made by Supervisor Casher, seconded by Supervisor Medina, the Board voted unanimously to authorize advertisement upon receipt of agency approvals.

**2. Marbill Estates/Portion of Ridgewood Estates/Teague Road**

- The project is under construction.

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

- Town hall meetings are underway.

**4. Phase II Water Distribution System within Public Right-of-Way**

- The Project is nearing completion. All work has been completed except for the installation of water line at the intersection of FM 521 and Houston Street.
- Mr. Dybala presented to the Board Pay Estimate No. 5 from Gray and Pape in the amount of \$567.58. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 5.

5. **Phase II Water Plumbing Contract**

- The Engineer and Attorney have conducted initial meetings to finalize the contract. Waiting on resolution of problem applications.

6. **Phase III Water Plumbing Contract**

- TWDB and EPA have both approved the bid documents associated with awarding the contract to Reddico Construction. Mr. Dybala plans to have the contracts available for signature at the August 25, 2016 meeting.

7. **Davis and West Davis Waterline Project**

- Jacobs conducted a pre-construction meeting on July 28, 2016. Mr. Dybala anticipates that the contractor will start construction on August 25, 2016, once they have received a construction permit from Fort Bend County.

8. **Fresno Gardens North Wastewater Collection System**

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

9. **Fresno Gardens North Wastewater Plumbing Contract**

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

10. **Gateway Acres Subdivision Wastewater Collection System**

- Jacobs is working on construction drawings for agency review. Supervisor Carreon requested that all sewer manholes in this project be constructed at a level at least one half foot higher than the level of the public streets due to flooding issues. Mr. Dybala noted that he would take this suggestion into consideration, and further noted that each manhole is being fitted with an inflow prevention device.

11. **Gateway Acres Subdivision Wastewater Plumbing Contract**

- Town Hall meetings will be conducted once the public wastewater lines are under contraction.

B. **Authorize Engineer to prepare plans and specifications for Projects**

- No action required.

C. **Authorize advertisement for bids for construction of water and wastewater projects**

- No further action required.

D. **Report on Status of Project Funding**

1. **One Year Warranty Expiration Dates**

- Teleview Terrace lift station and force main – 07/16/2016.
- Water Treatment Plant Expansion – 01/04/2017
- Phase III Waterline Improvements – 03/07/2017
- Teleview Terrace Water/Wastewater System – 04/21/17

**2. FY08 EPA STAG Grant**

- Maximum reimbursable amount from FY08 STAG Grant = \$239,000; Reimbursement Requests submitted to date: \$29,994.96; Amount received: \$29,994.96.
- Deadline has been extended to June 30, 2016. Such funds will be used for water service connections. Jacobs is working on further extending this deadline.

**3. FBC FY14 CDBG Funds**

- The CDBG notified the District that it will receive \$217,467.00 in funds for the next water and wastewater system plumbing contract.

**E. Requests for Water and Sewer Service**

- Mr. Dybala updated the Board on the status of commercial applications, detailed in the attached Engineer’s Report.

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

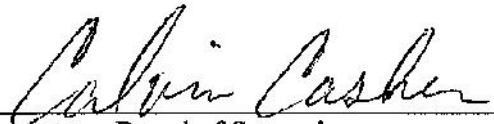
**6. HEAR FROM THE PUBLIC**

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

There being no further business to come before the Board, upon a motion duly made and seconded, the Board voted unanimously to adjourn.

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PASSED, ADOPTED, and APPROVED this September 15, 2016.

  
Secretary, Board of Supervisors

