

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

December 15, 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 December 15, 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, except Supervisor Medina, thus constituting a quorum.

Also present at the meeting were: David Dybala with Jacobs Engineering Group, Inc. (“Jacobs”), the District’s Engineer; Breah Campbell with Environmental Development Partners (“EDP”), Operator for the District; Phyllis Herbst, the District’s Bookkeeper; Felipe Gonzalez Hernandez, the District’s Tax Assessor; members of the public, the names of which are on the attached attendance sheet; and Michael R. Willis and Wesley 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 first 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.

D. Budget for Fiscal Year Ending December 31, 2017.

Ms. Herbst then presented to the Board for review and approval the draft budget for the fiscal year ending December 31, 2017.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to (1) accept the Bookkeeper's Report as presented; (2) authorize the payment of the checks and invoices listed therein; and (3) approve the budget for the fiscal year ending December 31, 2017.

2. TAX REPORT

The President then recognized Mr. Hernandez, who presented to the Board the Tax Report.

Upon motion duly made by Supervisor Carreon, seconded by Supervisor Casher, 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 November 17, 2016 were presented for approval.

Upon motion duly made by Supervisor Carreon, seconded by Supervisor Fleck, the Board voted unanimously to approve the minutes of the meeting held on November 17, 2016 as presented.

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

Mr. Willis updated the Board concerning the Turner CCN, and presented a draft contract for the purchase of same. The Board deferred action on this matter.

C. Regional Plant Committee Report.

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

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, 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. Amend Rate Order

No action was taken in connection with the Rate Order.

G. Final Project Source and Use of Funds Report (\$600,000 Unlimited Tax Bonds, Series 2008).

Mr. Willis then reviewed with the Board the Final Project Source and Use of Funds report (the "Report") in connection with the final accounting, requested by the TWDB, for the District's \$600,000 Unlimited Tax Bonds, Series 2008. Mr. Willis advised that the TWDB requested the Report be submitted by December 30, 2016. Mr. Willis further indicated that Mr. Dybala provided some information regarding same, and that Ms. Herbst was completing her review of the Report.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to authorize the District's consultants to complete the Report, and to file same with the TWDB by December 30, 2016.

4. OPERATOR'S REPORT/TERMINATION OF SERVICE

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

Ms. Campbell reported as follows:

- The District pumped a total of 5,403,000 gallons of water for the month.
- The District has 595 connections.
- The billed to pumped ratio was 81.5%.
- Ms. Campbell reported that GM Services completed the performance testing of the District's water well #1, and no problems were noted during the testing.
- Ms. Campbell requested Board authorization to provide certain District data to the North Fort Bend Water Authority (the "Authority") in connection with a blending study to be conducted by the Authority.
- Ms. Campbell presented the fire hydrant flushing and inspection report, a copy of which is attached to the Operator's Report. The Board discussed making the repairs listed thereon, and deferring painting and the other recommended items. Upon motion duly made and seconded, the Board voted unanimously to approve the requested repairs.
- Supervisor Carreon advised that meter boxes were holding mud and water. Ms. Campbell advised that this is not uncommon.
- Ms. Campbell suggested a special meeting in January or February to review the fire hydrants.

A. Approval of Repairs to Water System.

No major repairs were presented.

B. Approval of Requests for Water Taps.

No requests for taps were presented.

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 Casher, seconded by Supervisor Fleck, 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 NTP date is set for January 3rd. Jacobs anticipates the project will be complete by April or May, 2017.

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

- The project is under construction.
- Mr. Dybala presented to the Board for consideration and approval Pay Estimate No. 4 from Reddico in the amount of \$852,459.02. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 4.

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

- Town hall meetings are complete.
- Jacobs will meet with the District's Attorney in December to finalize the connection exhibit.

4. Phase II Water Plumbing Contract

- The project is currently being advertised for bid.

5. Phase III Water Plumbing Contract

- The contractor anticipates connections being complete by February or March, 2017.

6. Fresno Gardens North Wastewater Collection System

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

7. Fresno Gardens North Wastewater Plumbing Contract

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

8. Gateway Acres Subdivision Wastewater Collection System

- Jacobs is working on construction drawings for agency review.

9. **Fresno Ranchos Subdivision Wastewater Lift Station and Force Main.**

- Jacobs is in the process of completing a preliminary engineering report for Board approval.

10. **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**

- Mr. Dybala discussed a wetlands study for the proposed new water plant site.

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
- Phase II waterline improvements – 09/19/2017
- Davis and W. Davis waterlines – 10/17/2017

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.

4. **3rd TWDB CWSRF Loan**

- Mr. Dybala requested authorization to begin, along with SK LAW, preparing the application for the District's third CWSRF Loan from the TWDB, in the amount of \$4.955 million dollars. Upon motion duly made and seconded, the Board voted unanimously to authorize the District's consultants to prepare the application.

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. Mr. Dybala then presented a new commercial application from Morris Storage, submitted by Supervisor Fleck. The Board also considered a variance to the application fee, as per Board policy concerning actual use of the property vs acreage. Upon motion duly made and seconded, the Board voted to accept the application, and grant the variance. Supervisor Fleck abstained from voting. Mr. Dybala also presented a request from LT No Limits to extend the application deadline. Upon motion duly made and seconded, the Board voted unanimously to extend the deadline six months to the July meeting.

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

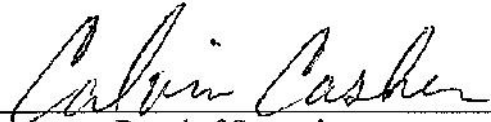
6. HEAR FROM THE PUBLIC

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 January 19, 2017.


Secretary, Board of Supervisors

