

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

February 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 February 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, except Supervisor Hamilton, 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; Michael Gutierrez with Fort Bend County Precinct 1; David Smalling with Robert W. Baird & Co., Inc. (“Baird”), financial advisor for the District; 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 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.

Upon motion duly made by Supervisor Medina, 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 Board next considered the Tax Report, presented by Ms. Herbst.

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

**3. FINANCIAL ADVISOR'S REPORT**

**Series 2016 Refunding Bonds.**

The Board recognized Mr. Smalling, who updated the Board on pricing of the District's \$4,430,000 Unlimited Tax Refunding Bonds, Series 2016 (the "Refunding Bonds"). Mr. Smalling informed the Board that, as per the parameters set by the Board at its January meeting, the District accepted a Bond Purchase Agreement from FMSbonds, Inc. (the "Purchaser") resulting in a gross savings to the District of approximately \$922,342.08 and a net present value savings to the District of approximately \$617,069.04.

**4. 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 and town hall meetings held on January 21, 2016 and January 28, 2016, respectively, were presented for approval.

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

**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.**

No Regional Plant Committee Report was given.

**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. **Procedures for Plumbing Contracts**

No action was taken in connection with the plumbing contract procedures.

G. **Resolution Regarding Tax Exemptions for 2016**

Consideration was next given a proposed Resolution Concerning Tax Exemptions for 2016.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Carreon, the Board voted unanimously to approve the Resolution Concerning Tax Exemptions for 2016. A copy of said Resolution is on file in the official records of the District.

H. **Engage Attorney to Collect Delinquent Taxes**

Consideration was then given to engaging an Attorney to collect the District's delinquent taxes. The Board noted that the District has a contract with Linebarger Goggan Blair and Sampson ("Linebarger") to collect the District's delinquent taxes and that such contract continues until terminated.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Casher, the Board voted unanimously to engage the services of Linebarger to collect the District's delinquent taxes, including the 2015 taxes that are delinquent on July 1, 2016 and thereafter.

I. **Resolution Regarding 20% Penalty**

Consideration was next given a proposed Resolution Concerning 20% Penalty.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Casher, the Board voted unanimously to approve the Resolution Concerning 20% Penalty. A copy of said Resolution is on file in the official records of the District.

J. **Amend Rate Order**

No action was taken in connection with the Rate Order.

K. **Letter to Fort Bend County**

The Board then considered a letter to Fort Bend County (the "County") requesting that the County consider the District's upcoming construction projects as a factor when making enforcement determinations.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Carreon, the Board voted unanimously to approve the letter to the County.

5. **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 8,661,000 gallons of water for the month.

- The District has 581 connections.
- The billed to pumped ratio was 75.3%. Ms. Campbell indicated that EDP is checking for undiscovered leaks, and will have a crew inspecting the District next week. Further, Ms. Campbell indicated EDP is checking on contractor flushing, as this could account for a large portion of the accountability issue.
- Supervisors Carreon and Medina discussed with Ms. Campbell fire hydrant leaks. Supervisor Carreon noted that hydrants along the 3700 block of Inez, 1117 block of Avenue A near Gettie, as well as Louise Road are still leaking. Ms. Campbell noted that EDP met with Supervisor Carreon and toured the leaks in the District. Ms. Campbell noted that EDP is looking into these items, and also noted that hydrant repairs authorized in December have been completed.
- Ms. Campbell presented to the Board the Annual Water Use Survey for the Texas Water Development Board for review.

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

Ms. Campbell reported that EDP completed hydrant repairs that were authorized in December. Ms. Campbell further stated that EDP is testing reflective tape on hydrants on Kansas and Avenue C to determine its effectiveness, and potential use throughout the District.

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

Ms. Campbell reported that EDP installed no new taps this month.

**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.

**6. ENGINEER'S REPORT**

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

**A. Status of Projects.**

**1. Teleview Terrace Subdivision water and wastewater system**

- The Project is under construction. The Contractor has completed waterline installation, including connecting to the existing system and testing. The Contractor should be finalizing the installation of gravity sewer lines in the next couple of weeks. The Contractor still needs to perform testing for the sanitary sewer facilities, complete ditch work, driveway and culvert repairs.

- The Contractor did not complete the Project per the contract documents. Based upon the Contractor's current pace, it is estimated that the Contractor will complete the Project in March.
- Mr. Dybala presented to the Board Pay Estimate No. 7 in the amount of \$198,639.00 from Lopez Utilities Contractor, LLC. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 7.
- Mr. Dybala presented to the Board Pay Estimate No. 13 from Geotest Engineering for \$602.00. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 13.

## **2. Teleview Terrace Water and Wastewater Plumbing Contract**

- Met with Attorney to produce draft plumbing exhibit. Awaiting resolution of outstanding issues.

## **3. Marbill Estates/Portion of Ridgewood Estates/Teague Road**

- The Project is being advertised for bids, due March 8. Mr. Dybala will present the results at the March meeting.

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

- Town hall meetings will begin once construction of the Water and Wastewater System is underway.

## **5. Water Plant Expansion**

- The Project is substantially complete. The Contractor is working on punch list items.
- Mr. Dybala presented to the Board Pay Estimate No. 8 in the amount of \$35,056.08 from Nunn Constructors. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 8.
- Mr. Dybala noted that the Contractor is not presently on site to address the punch list. The contract should have been completed by February 6, 2016. In connection therewith, Mr. Dybala requested that the Board authorize the Attorney to prepare a letter advising the Contractor of the delay, and potential exercise of remedies under the contract, including liquidated damages. Upon motion duly made and seconded, the Board voted unanimously to authorize the letter.

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

- The Project is under construction.
- Mr. Dybala presented to the Board Pay Estimate No. 1 in the amount of \$269,169.30 from Reddico Construction Co., Inc. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 1.
- Mr. Dybala presented to the Board Pay Estimate No. 2 from Geotest Engineering in the amount of \$5,497.00. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 2.

**7. Phase II Water Plumbing Contract**

- Town hall meetings will be conducted in January, February and March.

**8. Phase III Water Distribution System within Public Right-of-Way**

- The project is under construction.
- Mr. Dybala requested the Board's approval for Pay Estimate No. 6 from Reddico in the amount of \$124,304.94. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 6.
- Mr. Dybala presented to the Board Pay Estimate No. 7 from Geotest Engineering for \$3,191.20. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 7.

**9. Phase III Water Plumbing Contract**

- Mr. Dybala met with the District's Attorney to finalize the customer list to be included in the plumbing contract. The Project has been submitted to the TWDB and EPA for approval to advertise. Mr. Dybala noted needed resolution to approximately 7 applications, as well as finalization of the amended RFC, prior to advertisement. Mr. Dybala requested authorization to advertise once all matters are resolved. Upon motion duly made and seconded, the Board voted unanimously to approve advertisement, subject to resolution of all outstanding issues.

**10. Davis and West Davis Waterline Project**

- Jacobs is working on construction documents.

**11. Davis and West Davis Water Plumbing Contract**

- These properties will be included in the Phase II Water Plumbing Contract.

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

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

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

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

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

- Jacobs is working on construction drawings for agency review.

**15. 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 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.

**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 Medina, seconded by Supervisor Carreon, 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.

**8. CLOSED SESSION**

Upon motion duly made by Supervisor Casher, seconded by Supervisor Medina, the Board voted unanimously to convene in closed session at 8:00 p.m. to discuss real estate transactions.

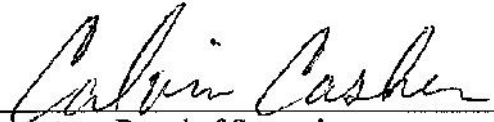
**9. OPEN SESSION**

Upon motion duly made by Supervisor Medina, seconded by Supervisor Casher, the Board voted unanimously to reconvene in open session at 8:20 p.m.

Upon motion made by Supervisor Casher and seconded by Supervisor Medina, the Board voted unanimously to approve an offer to purchase the Turner Water System in the amount discussed in Closed Session.

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

PASSED, ADOPTED, and APPROVED this April 21, 2016.

  
Secretary, Board of Supervisors

