

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

January 21, 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 January 21, 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: 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.

The Board reviewed the Quarterly Investment Reports.

C. Review Collateral Pledge Report.

No Collateral Pledge Report was given.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Fleck, the Board voted unanimously to (1) accept the Bookkeeper's Report as presented; (2) approve the Quarterly Investment Reports; and (3) 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 Fleck, seconded by Supervisor Carreon, the Board voted unanimously to approve the Tax Report, as presented.

3. FINANCIAL ADVISOR'S REPORT

A. Series 2016 Refunding Bonds.

The Board recognized Mr. Smalling, who discussed with the Board the proposed issuance of \$4,345,000 Unlimited Tax Refunding Bonds, Series 2016 (the "Refunding Bonds"), as well as the cost of such issuance, an analysis of present value savings, and an outline of the bonds selected for refunding. He further advised that the issuance amount could vary depending on market activity over the next few weeks.

B. Preliminary Official Statement.

The Board then considered approval of the Preliminary Official Statement for the Refunding Bonds. Mr. Smalling reviewed with the Board a draft of the Preliminary Official Statement and answered questions regarding the same.

Upon motion by Supervisor Casher, seconded by Supervisor Fleck, the Board voted unanimously to approve the Preliminary Official Statement substantially in the form submitted by Mr. Smalling and to authorize distribution of the same.

C. Resolution Regarding Delegation of Authority for Refunding Bonds.

Mr. Willis advised the Board that in instances where the terms to refund bonds are not final, Section 1207.007 of the Texas Government Code provides that a political subdivision such as the District may delegate to a member of the Board of Supervisors the authority to select specific maturities of bonds to be refunded and to effect the sale of the refunding bonds provided that the Board of Supervisors (i) authorizes the maximum principal amount of refunding bonds that may be issued and the maximum rate of interest to be borne by the refunding bonds; (ii) identifies the potential bonds that may be refunded; and (iii) recites the public purpose for which the refunding bonds are to be issued. The Board then discussed the parameters of said authority.

Upon motion duly made by Supervisor Fleck and seconded by Supervisor Medina, the Board voted unanimously to (i) approve the issuance of the Refunding Bonds so long as the District achieves a net present value savings, expressed as a percent of the principal amount of the bonds being refunded, of at least 8.00%, (ii) delegate to Paul Hamilton or, in his absence, any other officer of the Board, the authority to select the specific maturities of the Series 2006B Bonds to be refunded and to effect the sale of the Refunding Bonds, including the execution of documents related to the refunding bond sale, including, but not limited to, the Bond Purchase Agreement, and (iii) approve the Resolution Regarding Delegation of Authority.

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 December 17, 2015, were presented for approval.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Fleck, 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.

Supervisor Hamilton then delivered 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, as presented.

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. Order Calling Supervisors and Tax Assessor/Collector Election

Consideration was then given to a proposed Order Calling Supervisors and Tax Assessor/Collector Election. The Board noted that the terms of Supervisors Fleck, Casher and Medina, as well as Cynthia Rodriguez, the District's Tax Assessor/Collector, expire on May 7, 2016.

Upon motion duly made by Supervisor Carreon, seconded by Supervisor Hamilton, the Board voted unanimously to adopt the Order Calling Supervisors and Tax Assessor/Collector Election thereby calling an election for May 7, 2016 for the purposes of electing three (3) supervisors and one (1) tax assessor/collector to the Board. A copy of said Order is on file in the official records of the District.

H. Resolution Regarding Eminent Domain

Consideration was then given to a proposed Resolution Authorizing Filing with Comptroller of Public Accounts Documentation of Eminent Domain Authority. Mr. Willis explained that Senate Bill No.

1812, adopted by the Texas Legislature during the 84th regular session, requires all public and private entities authorized to exercise eminent domain powers in Texas to submit electronically, through the website of the Comptroller of Public Accounts, documentation detailing their legal authority to exercise the powers of eminent domain. Accordingly, Mr. Willis requested authorization to file documentation on behalf of the District.

Upon motion made by Supervisor Medina and seconded by Supervisor Fleck, the Board voted unanimously to approve the Resolution Authorizing Filing with Comptroller of Public Accounts Documentation of Eminent Domain Authority, a copy of which is on file in the official records of the District and (2) authorize the District's Attorneys to file documentation with the Comptroller of Public Accounts detailing the District's legal authority to exercise the powers of eminent domain.

I. House Bill 1295

Mr. Willis reviewed with the Board House Bill No. 1295, adopted by the Texas Legislature during the 84th regular session, which legislation added Section 2252.908 to the Texas Government Code (hereinafter, the "Act"). Effective January 1, 2016, the Act requires, under certain circumstances, that business entities which contract, propose to contract, renew, or amend a contract with the District file a Form 1295 with the Texas Ethics Commission ("TEC"), which form is a disclosure of interested parties. The business entity must also provide to the District a copy of the Form 1295 filed with the TEC, along with a certificate of filing. The Form 1295 must be filed at the time the business entity submits the signed contract to the District and the District then has 30 days to acknowledge to the TEC that it received the Form 1295. Mr. Willis further explained that Form 1295 is required in connection with contracts that either (1) require an action or vote by Board of the District, or (2) that have a value of at least \$1,000,000. The business entity must comply with the Act, or the District cannot contract with that entity.

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 4,087,000 gallons of water for the month.
- The District has 581 connections.
- The billed to pumped ratio was 88.0%. Ms. Campbell indicated that EDP is checking for undiscovered leaks.
- Supervisors Carreon and Medina asked Ms. Campbell about the status of fire hydrant reflectors in the Gateway Acres subdivision. Supervisor Carreon noted that reflectors particularly cannot be seen on California and Illinois.
- Supervisors Carreon and Medina discussed with Ms. Campbell fire hydrant leaks. Supervisor Carreon noted an additional leak on Avenue A. Ms. Campbell noted that EDP met with Supervisor Carreon and toured the leaks in the District. Ms. Campbell noted that a particular hydrant, located at 3702 Lizze, had stopped leaking after adjustment, but resumed a couple of days later. EDP will engage a specialist to determine the problem.
- Ms. Campbell presented a leak adjustment request for 631 Cedar Street for the period of December 1, 2015 to January 5, 2016. Ms. Campbell noted that during such time, 335,000 gallons went through the meter at this location. Upon motion duly made by

Supervisor Casher, seconded by Supervisor Fleck, the Board voted unanimously to adjust the bill, and approve a payment plan.

- Ms. Campbell noted that on November 5th and 6th, November 10th and 11th, and November 23rd through December 1st the interconnect between the District and Fort Bend County Municipal Utility District No. 23 (“MUD 23”) was opened to provide water to the District while the new ground storage tank and valves were installed.

A. Approval of Repairs to Water System.

Ms. Campbell reported that EDP in in the process of completing fire hydrant repairs. Ms. Campbell also noted that EDP completed annual maintenance on the generator at a cost of \$1,416.11.

B. Approval of Requests for Water Taps.

Ms. Campbell reported that EDP installed residential taps and meters at three locations, for a total cost of \$2,047.50.

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 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.

6. ENGINEER’S REPORT

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

A. Status of Projects.

1. Televue 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.
- Based on the current status of the Project, the Contractor will not be complete with the Project by the end of January as anticipated. A revised schedule has been requested. The contract called for a completion time of January 4, 2016.
- Mr. Dybala presented to the Board Pay Estimate No. 6 in the amount of \$235,110.60 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. 6.
- Mr. Dybala presented to the Board Pay Estimate Nos. 11 and 12 from Geotest Engineering for \$586.25 and \$296.50, respectively. Mr. Dybala recommended approval of the Pay

Estimates. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate Nos. 11 and 12.

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

- Met with Attorney to produce draft plumbing exhibit.

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

- Jacobs submitted construction documents to the TWDB for approval to advertise the project.

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. 7 in the amount of \$25,417.13 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. 7.

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 from Geotest Engineering in the amount of \$257.00. 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 Invoice No. 2 from HRA Gray & Pape in the amount of \$219.00 for archeological monitoring. Mr. Dybala recommended approval of the invoice. Upon motion duly made and seconded, the Board voted unanimously to approve Invoice 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. 5 from Reddico in the amount of \$416,470.09. Mr. Dybala recommended approval of the Pay Estimate. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 5.
- Mr. Dybala presented to the Board Pay Estimate Nos. 5 and 6 from Geotest Engineering for \$6,343.15 and \$7,487.75, respectively. Mr. Dybala recommended approval of the Pay Estimates. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate Nos. 5 and 6.

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.

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

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

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

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

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

- Mr. Dybala presented to the Board for approval Task Order No. 19 to perform engineering services related to the Davis and West Davis waterline project. Upon motion duly made and seconded, the Board voted unanimously to approve Task Order No. 19.

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.

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. **WRDA \$20M Construction Grant**

- Waiting for direction from Corp of Engineers.

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.

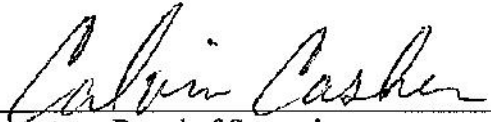
7. HEAR FROM THE PUBLIC

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

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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 February 18, 2016.


Secretary, Board of Supervisors

