

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

October 26, 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 special session, open to the public, on October 26, 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; Felipe Gonzalez Hernandez, the District's Tax Assessor; 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 and Ryan LaRue 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 Fleck, 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 Mr. Hernandez.

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

Proposed minutes of the regular meeting held on September 15, 2016, as well as the town hall and special meetings meeting held on September 22, 2016 and September 30, 2016, respectively, were presented for approval. The Board deferred action on the minutes.

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

No report was given 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 Fleck, seconded by Supervisor Medina, the Board voted unanimously to approve the Regional Plant Committee Report.

D. Regional Facilities Contract

Mr. Willis updated the Board on the status of negotiations with the City of Arcola (the "City") concerning a temporary lease of wastewater treatment capacity by the City, including the Memorandum of Understanding ("MOU") presented to the City. Mr. Willis also discussed with the Board a letter received from the City. According to the letter, the City is unwilling at this time to execute the MOU. However, the City still desires to discuss the temporary lease at an undetermined time in the future, at such time as the expansion is actually under way.

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. Proposal to Renew Insurance

Mr. Willis then presented to the Board a proposal from HARCO Insurance Services (“Harco”) to renew the District’s insurance.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Medina, the Board voted unanimously to accept the renewal proposal from Harco.

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 7,285,000 gallons of water for the month.
- The District has 592 connections.
- The billed to pumped ratio was 79.2%.
- Ms. Campbell advised that EDP has begun working to relocate and adjust the water lines identified in conflict with the Trammel Fresno road widening project from Nail Road to S. Post Oak approved at the September 22, 2016 meeting. EDP will begin work from Nail Road E. to the bayou once the prior work is complete.
- Ms. Campbell advised the Board concerning the increases from the North Fort Bend Water Authority, to be effective January 1, 2017.
- Ms. Campbell reported on a leak adjustment request from the customer at 618 Pecan Street.
- Ms. Campbell reported on a late fee adjustment request due to a mailing address mistake.

A. Approval of Repairs to Water System.

Ms. Campbell advised that EDP: (i) conducted a generator load test at a cost of \$1,915.07; (ii) repaired a valve stack at 3706 Alice Street at a cost of \$955.63; and (iii) repaired a 6” main at 3003 Pennsylvania Street at a cost of \$2,234.36. Supervisor Carreon questioned the repair at 3706 Alice, and indicated it was his understanding that only flushing was done at this location.

B. Approval of Requests for Water Taps.

No items to report 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 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. Televue Terrace Water and Wastewater Plumbing Contract

- Mr. Dybala presented to the Board for approval contracts between the District and Reddico Construction Co., Inc. ("Reddico") for completion of the project. Mr. Dybala advised that, once executed by the District, the contracts will be sent to Reddico, then provided to the various agencies for review. Mr. Dybala anticipates the contracts will be approved by the November meeting.

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 Nos. 1 and 2 from Reddico in the amounts of \$258,338.09 and \$384,026.62, respectively. Mr. Dybala recommended approval of the Pay Estimates. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate Nos. 1 and 2.
- Mr. Dybala presented to the Board Invoice No. 3 from Geotest Engineering for materials testing in the amount of \$15,610.45. Mr. Dybala recommended approval of the Invoice. Upon motion duly made and seconded, the Board voted unanimously to approve Invoice No. 3.

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 Distribution System within Public Right-of-Way

- The project is fully complete.
- Mr. Dybala presented to the Board Invoice No. 7 from Gray and Pape for archeological monitoring services. Mr. Dybala recommended approval of the Invoice. Upon motion duly made and seconded, the Board voted unanimously to approve Invoice No. 7.

5. Phase II Water Plumbing Contract

- Construction contracts are complete. Jacobs will submit the contracts this week to the TWDB and EPA for approval to advertise the project.

6. Phase III Water Plumbing Contract

- The construction Notice-to-Proceed date is October 10, 2016.
- The contractor is finalizing submittals related to the project and ordering materials.

7. Davis and West Davis Waterline Project

- The project is complete.
- Mr. Dybala requested the Board's approval of the Certificate of Final Completion. Upon motion duly made and seconded, the Board voted unanimously to approve the Certificate.
- Mr. Dybala presented to the Board Pay Estimate Nos. 1 and 2 (final) from G&A Boring Direccional ("GA") in the amounts of \$124,055.10 and \$32,443.90, respectively. Mr. Dybala recommended approval of the Pay Estimates. Upon motion duly made and seconded, the Board voted unanimously to approve the Pay Estimates.
- Mr. Dybala presented to the Board Invoice No. 2 from Geotest Engineering for materials testing in the amount of \$2,736.15. Mr. Dybala recommended approval of the Invoice. Upon motion duly made and seconded, the Board voted unanimously to approve Invoice No. 2.

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**

- Mr. Dybala requested the Board's approval of Task Order No. 21 for the Fresno Ranchos Subdivision wastewater lift station and forcemain project. Upon motion duly made and seconded, the Board voted unanimously to approve the Task Order.
- Mr. Dybala then discussed with the Board potential locations for a 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

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.

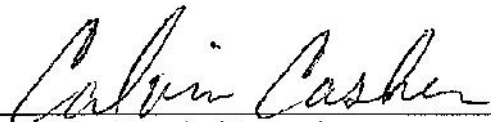
6. HEAR FROM THE PUBLIC

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 November 17, 2016.


Secretary, Board of Supervisors

