

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

January 12, 2018

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 January 12, 2018, commencing at 11:30 a.m. at 11104 West Broadway Street, Pearland, Texas, a designated meeting place outside 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 Carreon, 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; Tommy Bryant and Louis Trapolino with CMI Teal Run, Ltd. ("CMI"), a developer of property within the District; Justin Ring with Odyssey Engineering Group, engineer for CMI; and Maria Salinas Parker 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. REQUEST FOR REIMBURSEMENT FROM CMI TEAL RUN, LTD.

The Board first recognized Mr. Ring, who discussed with the Board the proposed development of a tract of land within the boundaries of the District owned by CMI, to be known as the Teal Gardens Subdivision ("Teal Gardens"). Mr. Ring explained that CMI will develop Teal Gardens as a single family residential subdivision consisting of 95 homes. Mr. Trapolino described the builders and the anticipated product; and the Board discussed service to Teal Gardens, noting that the Board approved a letter to Fort Bend County Municipal Utility District No. 23 ("FB23"), a neighboring district, requesting that FB23 provide temporary service to Teal Gardens until the District's water and sanitary sewer system can do so. In connection therewith, Mr. Trapolino requested that the District enter into a reimbursement agreement with CMI for the cost of the public water and sanitary sewer infrastructure to serve Teal Gardens, pursuant to the laws of the State of Texas and the rules of the Texas Commission on Environmental Quality ("TCEQ"). The Board noted they will consider the request, contingent upon the response from FB23.

2. DISCUSS AND TAKE ACTION ON RATE ANALYSIS/RATE ORDER

The Board recognized Ms. Campbell, who submitted to and reviewed with the Board an analysis of the District’s single-family residential water rates, including recommended changes thereto. A copy of the rate analysis is attached hereto.

In connection therewith, the Board considered amending the Rate Order, and proposed the following water rate structure for single-family residential connections (the “Amended Rates”):

<u>Gallons Used</u>	<u>Rate</u>
0 - 3,000 gallons	\$21.00 minimum
3,001 - 5,000 gallons	\$2.50 per 1,000 gallons
5,001 - 20,000 gallons	\$4.50 per 1,000 gallons
20,001 - 35,000 gallons	\$5.50 per 1,000 gallons
35,001 gallons or more	\$6.50 per 1,000 gallons

Upon motion duly made by Supervisor Casher, seconded by Supervisor Fleck, the Board voted unanimously to adopt the Amended Rates, and to amend the District’s Rate Order accordingly, to be effective February 1, 2018.

3. RIGHT OF ENTRY AGREEMENT

The Board next considered a Right-of-Entry Agreement (the “ROE”) between Fort Bend County (the “County”) and the District. Mr. Willis discussed the ROE with the Board, and advised that it is necessary to allow the District, its contractors and agents, to enter upon the proposed water plant site (the “Site”) to conduct geotechnical engineering services in connection with the construction of Water Plant No. 2 upon the Site.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Medina, the Board voted unanimously to approve the ROE.

4. ENGINEER’S REPORT

The President recognized Mr. Dybala, who updated the Board on the status of District projects. In connection therewith, the Board discussed the clean-up phase projects, and proposed creating a frequently-asked questions memo concerning easement acquisition. No action was necessary.

5. HEAR FROM THE PUBLIC

The Board then opened the meeting to public comment.

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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 2/15/18, 2018.

Calvin Custer

Secretary

