

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

July 19, 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 regular session, open to the public, on July 19, 2018, 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; Phyllis Herbst and Barbara Fellingner, the District's Bookkeeper; Clayton Gallaway with Environmental Development Partners ("EDP"), the District's Operator; Dwayne Grigar with Fort Bend County Precinct No. 1; Ryan Fortner with Sales Revenue Inc. ("SRI"); members of the public, the names of whom are on file in the official records of the District; and Michael Willis and Laura McKenery of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw"), 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 on file in the official records of the District, 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 investment report.

C. Review Collateral Pledge Report.

The Board reviewed the Collateral Pledge report.

Upon motion duly made by Supervisor Hamilton, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the Bookkeeper's Report and authorize the payment of the checks and invoices listed therein.

3. TAX REPORT

The Board took no action on the Tax Report.

4. ATTORNEY'S REPORT

The Board recognized Mr. Willis, who presented the Attorney's report as follows:

A. Approval of Minutes

The proposed minutes of the meetings held on June 15, 2018, June 28, 2018, were presented for approval. Upon a motion made by Supervisor Medina, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to approve the minutes of the meetings held on June 15, 2018, and June 28, 2018.

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

No action was taken in connection with the Certificates of Convenience and Necessity.

C. Regional Plant Committee Report

No action was taken in connection with 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. Application to Texas Water Development Board for Project and Issuance of Bonds, Series 2018

Mr. Willis presented information regarding the potential issuance of the Series 2018 bonds reporting that the Financial Advisor believes the issuance to be feasible. The Board noted that no action was necessary.

G. Discuss Strategic Partnership Agreement with the City of Houston and the City of Pearland, including acceptance of proposal to perform inventory of commercial businesses

The Board heard the sales and use tax administration proposal from Ryan Fortner with SRI.

Upon a motion duly made by Supervisor Medina, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to authorize engagement of SRI.

H. Discuss Arbitrage Report and authorize engagement of Arbitrage Compliance Specialists

Upon a motion duly made by Supervisor Medina, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to approve the Arbitrage Report and authorize engagement of Arbitrage Compliance Specialists.

5. OPERATOR’S REPORT/TERMINATION OF SERVICE

Next, the Board recognized Mr. Gallaway who submitted to and reviewed with the Board the Operator’s Report, a copy of which is on file in the official records of the District.

Mr. Gallaway reported substantial system repairs and maintenance as follows:

- Installed residential taps and meters: 7 locations
- 4014 Peridot St
- 4031 Peridot St
- 4422 Tulip Ln
- 127 Virginia Dr
- 4634 B N Teague
- 3514 Jan St
- 326 Renfro-Burford Rd

1. Trammel Fresno Road Widening Project

Mr. Gallaway reported that contractors started work to relocate the existing utilities between Chimney Rock and California. Mr. Gallaway anticipated project completion around July 27th.

2. Water Plant Booster Pump #3 Repair

Mr. Gallaway reported that the repair is in process.

3. 2017 Consumer Confidence Report “CCR”

Mr. Gallaway reported that the Certificate of Delivery has been filed with the TCEQ for the 2017 CCR’s that were mailed to consumers on June 19th.

4. Write-Off List

Mr. Gallaway reported that there are 24 accounts to be written off totaling \$12,893.65 from October 2017 through March 2018.

5. Delinquent Water Accounts and Service Terminations

Mr. Gallaway provided a list of customers that received a delinquent letter by mail and are subject to the disconnection of service.

Upon a motion duly made by Supervisor Casher, seconded by Supervisor Fleck, and after full discussion, the Board voted unanimously to approve the Operator’s Report and approve the termination list.

6. ENGINEER'S REPORT

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

A. Status of Projects

1. Marbill Estates and a Portion of Ridgewood Estates Subdivisions and North and South Teague Road Water and Wastewater Plumbing Contract

- Remaining work related to private water wells on the following properties:
 - 4314 Mark Terrace Road (ME, Lots 16,17 and 18)- EDP to install door hanger with language provided by District Attorney
 - 302 Teakwood Avenue (RE, B11, L1)- per EDP, well is to be plugged 7/23/18
 - 4723 Tulip Lane (RE, B36, L4)- per EDP, well is to be plugged 7/23/18
 - 522 Redwood Avenue (RE, B31, Lots 6 & 21)- EDP to install door hanger with language provided by District Attorney

- Fresno Gardens North Subdivision Wastewater Collection System
 - The construction plans are currently at the review agencies for review and approval needed to advertise the project .
 - District Attorney is coordinating with City of Arcola ("CoA") regarding the District providing wastewater service in this area which is within the boundaries of the "Existing Fresno Facilities" of the Regional Facilities Contract.
 - Jacobs is coordinating with CoA regarding the possible decommissioning of the existing lift station at the intersection of Kansas Street and West Sycamore Road that once served the old Haliburton facility.
 - The Bookkeeper reports there is approximately \$550,000 remaining of the TWDB CWSRF Loan. The District would utilize this amount to start the project, but would need the new TWDB CWSRF Loan secured or utilize the District's general fund to complete it.

- Fresno Gardens North Subdivision Wastewater Plumbing Contract
 - Townhall meetings are anticipated to start at the end of this year and planning with consultants will take place in the next couple of months on ways to improve the plumbing project process. Afterwards, Jacobs will discuss methods to improve the project process with the Board for its consideration.

- Gateway Acres Subdivision Wastewater Collection System
 - Jacobs is completing the project construction drawings for agency review. The construction project will be on hold until completion of Trammel Fresno Road widening project. A new TWDB CWSRF Loan needs to be secured to complete the project.

- Fresno Ranchos Subdivision Wastewater Lift Station and Force Main
 - District Attorney and Fort Bend County ("FBC") are finalizing the warranty deed which will convey the lift station site to the District.
 - Mr. Dybala presented for the Board's approval an invoice from Landtech in the amount of \$750.00 for preparation of metes and bounds description for the lift station site. Mr. Dybala recommended approval of the invoice. Upon a motion made and

seconded, and after full discussion, the Board approved payment of the invoice to Landtech in the amount of \$750.00.

- Jacobs is completing the construction drawings for agency review. Construction of the new project will be on hold until completion of Trammel Fresno Road widening project. A new TWDB CWSRF Loan needs to be secured to complete project.
- Gateway Acres Subdivision Wastewater Plumbing Contract
 - Townhall meetings will be conducted once the public wastewater lines for this area are under construction
- FM 521 Sanitary Sewer Extension
 - The pre-construction meeting for this project was conducted on July 13th. The notice to proceed date, which starts the construction contract time for the project, was established as July 23rd and is anticipated that the Contractor should be fully completed with this project by the end of September 2018.
 - In accordance with the interlocal agreement with FBC, estimated overall project costs, in the amount of \$290,458.80, were to provide to FBC. Per the agreement, FBC is to provide the District this amount to complete the project. Once the project is completed, actual costs will be determined and either the FBC money back or FBC will need to provide funds to the District for any deficits
 - Mr. Dybala presented to the Board Invoice No. 3 from Arborleaf in the amount of \$615.00 for preparation of metes and bounds description with exhibit for the sanitary sewer easements. Mr. Dybala recommended payment of Invoice No. 3. Upon a motion made, duly seconded, and after full discussion, the Board voted unanimously to approve the payment of Invoice No. 3 from Arborleaf in the amount of \$615.00.
- Water Plant #2
 - Jacobs is preparing project construction plans.
 - The TWDB approved to use surplus TWDB DFUND loan funds for project, but the funds cannot be accessed until the Environmental Assessment is approved.
 - Status of Environmental Assessment (“EA”) - Jacobs provided additional documentation to Corps of Engineers (Jurisdictional Determination) (“CoE”) on 04/23/18 demonstrating that wetland is non-jurisdictional. Jacobs awaits a response from CoE and anticipates such response will take two to three months. TWDB needs response from CoE stating that wetland is non-jurisdictional in order to approve EA.
 - Status of Sanitary Control Easement - Metes and bounds descriptions with exhibits for three tracts of land involved with the easement were provided to District Attorney.
 - District Est. Water Conn. Timeline (FBCFWS#1 WP#1 Connection Capacity 1,600)
 - o End of 2018=1,460
 - o End of 2019=1,520
 - o End of 2020=1,580
 - o Anticipate completing District’s WP#2 by end of 2020

B. Authorize Engineer to prepare plans and specifications for water and wastewater systems projects as necessary

- The Board noted that no action was necessary.

C. Report on status of project funding and take necessary action related thereto

1. Project One Year Warranty Expiration Dates

- Phase II Water Service Lines – 11/14/18
- Marbill Estates Subdivision / Portion of Ridgewood Estates Subdivision / North and South Teague Road Water and Wastewater Service Lines – 01/03/19

2. 2015 TWDB DFUND Loan

- Jacobs anticipates using remaining funds for Water Plant No. 2 project.

3. 2009 TWDB CWSRF Loan

- Jacobs anticipates using remaining funds for Fresno Gardens North Subdivision Wastewater Collection System project.

4. Fourth TWBD Loan and Third TWDB CWSRF Loan

- 4th TWBD DFUND Loan
 - Jacobs is working with District Attorney to obtain a new loan for approximately \$1,640,000 to cover additional costs to complete Water Plant No. 2 project.
- 3rd TWDB CWSRF Loan
 - Jacobs is working with District Attorney to obtain a new loan for approximately \$12,550,000 needed to cover additional costs to complete the Fresno Gardens North Subdivision Wastewater System, Gateway Acres Subdivision Wastewater System, Fresno Ranchos Subdivision Lift Station and Force Main project, and an Expansion to the CoA Wastewater Treatment Plant (from 0.25MGD to 0.425MGD).

5. Fort Bend County CDBG Funds

- Jacobs recommends applying for community development block grant funds once the Gateway Acres Subdivision Wastewater plumbing project is underway.

D. Projections for District Water and Wastewater Projects

- Need to update information every January and July. Exhibits were not updated as no changes to existing exhibits were needed.

E. Discuss Emergency Preparedness Plan

- Emergency Preparedness Plan will be reviewed in April 2019 to determine if any updates are required.

F. Requests for Water and Sanitary Sewer Service

- **Water Service**
 - Mr. Dybala reviewed the status of non-residential applications for water service.
- **Wastewater Service**
 - Mr. Dybala reviewed the status of non-residential applications for wastewater service.

G. Trammel Fresno Road Widening Project

- Mr. Dybala reported that all prior approved adjustments to the waterline along Trammel Fresno Road from California Road to FM 521 have been completed. EDP is

currently working with a sub-contractor to complete the needed waterline adjustment between Chimney Rock Road and California Road. EDP anticipates the work to be completed in July.

H. Potential Emergency Water Interconnect with Brazoria County Municipal Utility District No. 21

- Mr. Dybala reported that he had communicated with LJA, District Engineer for Brazoria County Municipal Utility District No. 21 (“BCMUD 21”), regarding a possible emergency water interconnect. BCMUD 21 is interested in pursuing an interconnect once the District completes Water Plant No. 2.

H. Potential Emergency Water Interconnect with BCMUD 141

- Jacobs has received a copy of the final construction plans and requested a copy of the record drawings once work is complete. Mr. Dybala anticipates construction of the emergency water interconnect with Brazoria County Municipal Utility District No. 141 would be complete in July 2018.

Upon motion made by Supervisor Medina, and seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the Engineer’s Report.

7. APPROVE THE FOLLOWING ACTION

The board considered ratification of the following actions:

- Bookkeeper’s June 28, 2018, Investment Report and payment of invoices
- Minutes of May 15, 2018 and May 17, 2018
- Resolution Regarding Unclaimed Property
- Repair to Booster Pump 3
- Operator’s June 28, 2018 Report and termination of service

Upon motion made by Supervisor Fleck, and seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to ratify the actions outlined above.

8. HEAR FROM THE PUBLIC

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

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PASSED, ADOPTED, and APPROVED this 8/16/18.

Calvin Carter
Secretary

