

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

June 28, 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 June 28, 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, the District’s Bookkeeper; Breah Campbell with Environmental Development Partners (“EDP”), the District’s Operator; Dwayne Grigar with Fort Bend County Precinct No. 1; members of the public, the names of whom are on file in the official records of the District; and Michael Willis and Ryan E. LaRue 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 Fleck, 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.

2. AUDIT

The Board noted that the audit was approved previously at a special meeting of the Board held on June 15, 2018.

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 May 15, 2018, and May 17, 2018, were presented for approval. Upon a motion made by Supervisor Fleck, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the minutes of the meetings held on May 15, 2018, and May 17, 2018.

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

Discussion occurred under the Operator's Report.

C. Regional Plant Committee Report

Supervisor Hamilton presented to the Board the Regional Plant Committee Report. Upon a motion made by Supervisor Fleck, seconded by Supervisor Medina, and after full discussion, the Board voted unanimously to approve 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

No action was taken on this matter.

H. Discuss and take action on requesting Fort Bend County Municipal Utility District No. 23 provide water and sanitary sewer services to Teal Gardens

No action was taken on this matter.

I. Approve Resolution Regarding Unclaimed Property

Consideration was then given to approving the Resolution Regarding Unclaimed Property. Mr. Willis noted that the District had \$-0- to remit to the State of Texas.

Upon a motion duly made by Supervisor Medina, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to approve the Resolution Regarding Unclaimed Property.

5. OPERATOR'S REPORT/TERMINATION OF SERVICE

Next, the Board recognized Ms. Campbell 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.

Ms. Campbell reported substantial system repairs and maintenance as follows:

- Installed 6 residential taps and meters.
- One fire hydrant repair along FM 521
- One blow-off valve repair at 302 Crescent Drive
- One service line repair along Trammel Fresno Road
- Annual preventive maintenance to the water plant generator
- The District has 899 residential connections, 318 full service residential connections, and 1,389 total connections.
- The District pumped a total of 10,698,000 gallons of water for the month.
- The billed to pumped ratio was 84.0%.

1. Trammel Fresno Road Widening Project

Ms. Campbell reported that contractors started work to relocate the existing utilities between Chimney Rock and California. Ms. Campbell anticipated project completion around the first week of July.

2. SW Corner of Nail Road and Evergreen – Fire Hydrant Relocation

At the April meeting, a customer requested the District consider relocating a fire hydrant near the intersection of Nail Road and Evergreen because the fire hydrant interfered with the installation of a driveway. Ms. Campbell informed the Board that the estimated cost to relocate the fire hydrant would be \$8,500.00. The Board discussed the matter with the resident and noted no further action was required.

3. Water Plant Booster Pump No. 3 Repair

Ms. Campbell reported that the coupling in Booster Pump No. 3 failed and destroyed the pump shaft. She requested authorization to repair Booster Pump No. 3 at an estimated cost of \$6,900.00 including time and labor. She noted that the estimated cost to replace Booster Pump No. 3 would be \$12,500.00.

Upon a motion duly made by Supervisor Fleck, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the repair of Booster Pump No. 3 at an estimated cost of \$6,900.00.

4. 2017 Consumer Confidence Report

Ms. Campbell reported that the 2017 Consumer Confidence Report approved at the May meeting of the Board was mailed to the District's customers approximately June 15, 2018.

5. Water Well No. 1 Performance Test

Ms. Campbell presented a report from GM Services regarding performance testing on Water Well No. 1 ("GM Services Report"). The GM Services Report indicated Water Well No. 1 is in good operational condition. The Board noted no action was necessary.

6. Customer Portal

Ms. Campbell presented the Board with information regarding EDP's new online customer portal accessible through the internet. Each customer will receive a notification in the water bill encouraging account registration. Once registered, customers will be able to make payments, view transactions, review water bills, and contact EDP. The Board noted no action was necessary.

7. Delinquent Tax Accounts and Service Terminations

Ms. Campbell 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 Medina, 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

- Mr. Dybala noted that there is work remaining related to private water wells on the following properties:
 - 4314 Mark Terrace Road
 - 302 Teakwood Avenue
 - 4723 Tulip Lane
 - 522 Redwood Avenue

2. Fresno Gardens North Wastewater Collection System

- Jacobs is in the process of completing construction drawings for agency review and anticipates submitting the constructions plans for agency review in July.
- Mr. Dybala reported that, based on the Bookkeeper's Report, there is approximately \$550,000 remaining in the TWDB CWSRF Loan. Should the Board desire to utilize

these funds for the Fresno Gardens North Wastewater Collection System project, the District would need to secure an additional TWDB CWSRF loan or use general funds to complete the project.

3. Fresno Gardens North Wastewater Plumbing Contract

- Mr. Dybala reported that townhall meetings likely will be conducted at the end of 2018 or early 2019 once the public wastewater lines for this area are under construction.

4. Gateway Acres Subdivision Wastewater Collection System

- Jacobs is working on construction drawings for agency review. Construction of the project will not occur until completion of the Trammel Fresno Road widening project. Mr. Dybala noted that a new TWDB CWSRF Loan will have to be secured to complete the project.

5. Fresno Ranchos Subdivision Wastewater Lift Station and Force Main.

- Mr. Dybala submitted a proposal in the amount of \$750 from Landtech to prepare a metes and bounds description for the proposed lift station site. He informed the Board that the metes and bounds description will be used by the District Attorney to prepare the special warranty deed conveying the property. Upon a motion by Supervisor Carreon, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to accept the proposal in the amount of \$750 from Landtech for preparation of a metes and bounds description for the proposed lift station site.

6. Gateway Acres Subdivision Wastewater Plumbing Contract

- Townhall meetings will be conducted once the public wastewater lines are under construction.

7. FM 521 Sanitary Sewer Extension

- Mr. Dybala reported that on May 30, 2018, four bids were received for the construction of the FM 521 Sanitary Sewer Extension. Skilled Construction Subs Unlimited provided the lowest bid in the amount of \$207,506.30. Mr. Dybala reported that a subcommittee composed of Supervisor Hamilton and Supervisor Casher agreed to the recommendation to award the project to Skilled Construction Subs Unlimited and requested Board concurrence. Upon a motion made and seconded, and after full discussion, the Board voted to award the contract for the construction of the FM 521 Sanitary Sewer Extension to Skilled Construction Subs Unlimited in the amount of \$207,506.30 contingent upon the District receiving final bonding and insurance information from the contractor. Mr. Dybala noted that it is anticipated construction will start mid-July and conclude in September 2018.
- Mr. Dybala noted that pursuant to the interlocal agreement with Fort Bend County, the estimated overall project cost for the FM 521 Sanitary Sewer Extension was \$290,458.80. Fort Bend County will provide \$290,458.80 to the District and, once the project is completed and final costs determined, the District will either refund money to Fort Bend county or Fort Bend County will provide additional funds to the District.

8. Water Plant No. 2

- Jacobs is currently working on the construction plans for Water Plant No. 2.
- Mr. Dybala presented for payment Invoice No. 2 in the amount of \$865.00 from Arborleaf for the preparation of the metes and bounds description for the sanitary control easement. Upon a motion made and seconded, and after full discussion, the

Board voted to authorize payment of Invoice No. 2 from Aborleaf in the amount of \$865.00.

- Mr. Dybala reported that the District had received approval from TWDB to use surplus DFUND Loan funds for the construction of Water Plant No. 2.
- The Environmental Assessment has been submitted to TWDB and TWDB has requested an official response from the United States Army Corps of Engineers (“CoE”) that the wetland located on the water plant site is a “Non-Jurisdictional Wetland”. Jacobs in coordinating the response from the Corps of Engineers.
- District Estimated Water Connection Timeline (Water Plant No. 1 Connection Capacity 1,600)
 - End of 2018 = 1,460
 - End of 2019 = 1,520
 - End of 2020 = 1,580
 - Anticipate completing Water Plant No. 2 construction by end of 2020

B. Authorize Engineer to prepare plans and specifications for Projects

- The Board noted that no action was necessary.

C. Report on Status of Project Funding and Take Necessary Action Thereto

1. One Year Warranty Expiration Dates

- Phase III Water Service Lines – 05/17/18
- Televue Terrace Subdivision Water and Wastewater Service Lines – 07/17/18
- 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 plans to use remaining funds for the Water Plant No. 2 project.

3. 2009 TWDB CWSRF Loan

- Jacobs plans to use remaining funds for the Fresno Gardens North Subdivision Waterwater Collection System.

4. Fourth TWDB Loan and Third TWDB CWSRF Loan

- Mr. Dybala noted that approximately \$1,600,000 of the Fourth TWDB DFUND Loan may be available to pay for the construction of Water Plant No. 2 pending a review by the Financial Advisor and District’s Attorney.
- Mr. Dybala noted that surplus funds in the Third TWDB CWSRF Loan may be available to cover costs related to the Fresno Gardens North Wastewater System, Gateway Acres Subdivision Wastewater System, and the Fresno Ranchos Subdivision Lift Station projects.

5. Fort Bend County CDBG Funds

- Consider applying once Gateway Acres Subdivision Wastewater plumbing project is underway

D. Projections for District Water and Wastewater Projects

- Need to update information every January and July.

E. Discuss Emergency Preparedness Plan

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

F. Requests for Water and Sewer Service

- **Water Service**

- Mr. Dybala reviewed the status of non-residential applications for water service and presented a request to the Board to approve an application for water service from MVP Auto Parts. Upon a motion by Supervisor Medina, seconded by Supervisor Casher, and after full discussion, the Board voted to approve the water service application subject to the customer providing a water meter easement to the District.

- **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.

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.

I. Potential Emergency Water Interconnect with BCMUD 141

- Mr. Dybala reported that 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. HEAR FROM THE PUBLIC

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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

PASSED, ADOPTED, and APPROVED this 19th day of July, 2018.

Calvin Caster
Secretary

[SEAL]