

3. AMENDED NOTICE TO SELLERS AND PURCHASERS

Consideration was then given to the proposed Amended Notice to Sellers and Purchasers, which notice sets forth the 2018 tax rate.

Upon a motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers, a copy of which is on file in the Official Records of the District.

4. BOOKKEEPER'S REPORT

The Board next considered the Bookkeeper's Report presented by Ms. Grimes, 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.

5. TAX REPORT

Ms. Grimes then presented to the Board the Tax Report.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Carreon, the Board voted unanimously to approve the Tax Report, as presented.

6. 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 August 16, 2018, were presented for approval.

Upon a motion made by Supervisor Medina, seconded by Supervisor Fleck, and after full discussion, the Board voted unanimously to approve the minutes of the meetings held on August 16, 2018, as presented.

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

Supervisor Hamilton presented to the Board the Regional Plant Committee Report.

Upon a motion made by Supervisor Medina, seconded by Supervisor Fleck, 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 had no updates to provide the Board and no action was taken in connection with the Application to the Texas Water Development Board for Project and Issuance of Bonds, Series 2018.

G. Discuss Strategic Partnership Agreement with the City of Houston and the City of Pearland, including status of inventory of commercial businesses

Mr. Willis presented to the Board an update on the Strategic Partnership Agreements prepared by Mr. Ryan Fortner.

The Board noted no action was necessary.

H. Bookkeeping Services

The Board then discussed the transition to its new bookkeeper, and related matters.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Carreon, the Board voted unanimously to hold the final check due to Ms. Herbst until completion of the transition efforts, including transfer of all current and past records of the District.

I. Amendment to Interlocal Agreement for Extension of Utilities with Fort Bend County

Mr. Willis next presented to the Board a proposed Amendment to the Interlocal Agreement for Extension of Utilities by and between the District and Fort Bend County (the “Amendment”).

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

7. OPERATOR'S REPORT/TERMINATION OF SERVICE

Next, the Board recognized Mr. Downum 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. Downum reported substantial system repairs and maintenance as follows:

- Installed residential taps and meters at ten (10) locations;
- Installed a commercial tap and meter at three (3) location;
- Repaired a fire hydrant damaged by a contractor;
- Repaired booster pump No. 3;
- Conducted the annual load bank test for the emergency generator.

1. Delinquent Water Accounts and Service Terminations

Mr. Downum 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 Medina, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the Operator's Report and approve the termination list.

8. 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
 - 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
 - Jacobs has received review comments from all agencies. All comments can be easily addressed, except for those provided by the City of Houston ("COH"). Mr. Dybala noted that he is working to schedule a meeting with COH to discuss its comments, and further reported that the Texas Water Development Board ("TWDB") will need to approve the project in order for the District to advertise for bids.
 - Mr. Willis is coordinating with 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
 - 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
 - This project is currently under construction. Due to rain delays, Mr. Dybala anticipates that the contract will be fully completed by the end of October.
 - Mr. Dybala presented Pay Estimate No. 2 from SCSU in the amount of \$44,088.66 for construction of the FM 521 Sanitary Sewer Extension. Mr. Dybala recommended payment of Pay Estimate No. 2.
 - Mr. Dybala presented Invoice No. 2 from Geotest in the amount of \$798.20 for performing material testing services. Mr. Dybala recommended payment of Invoice No. 2.
- Water Plant #2
 - Jacobs is preparing project construction plans. Mr. Dybala met with FBC Drainage to discuss the proposed drainage plan, and obtain approval of the concept.
 - 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. 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 (FBCFWSD#1 WP#1 Connection Capacity 1,600)
 - End of 2018=1,460

- End of 2019=1,520
- End of 2020=1,580
- 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 TWDB Loan and Third TWDB CWSRF Loan

- 4th TWDB 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 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.

H. Potential Emergency Water Interconnect with FBMUD 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 late 2018.

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

9. HEAR FROM THE PUBLIC

At this time, the Board opened the meeting to comments from the public. Upon a motion by Supervisor Fleck, seconded by Supervisor Casher, and after full discussion the Board voted to authorize the District to provide free water taps to the four property owners served by Aqua Texas, a private utility provider (“Aqua”), should those property owners obtain permission from Aqua to be provided water and wastewater utilities by the District.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

PASSED, ADOPTED, and APPROVED this October 18, 2018.

Calvin Casher
Secretary

[SEAL]

