



### **C. Review Collateral Pledge Report.**

The Board reviewed the Collateral Pledge report.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Carreon, 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**

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

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

### **4. ENGINEER'S REPORT**

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

#### **A. Status of Projects**

#### **1. Wastewater Service to Fresno Gardens North, Gateway Acres and Fresno Ranchos; F.M. 521 Sanitary Sewer Extension; and Water Plant No. 2**

- Fresno Gardens North Subdivision Wastewater Collection System
  - Bid opening occurred on August 12, 2019, and the District received four bids. The low bidder, AR Turnkey Construction, submitted a letter on August 21, 2019 requesting permission to withdraw their bid. As a result, Jacobs is in the process of evaluating the second low bidder.
  - The project will be funded with the surplus funds from the District's second TWDB CWSRF loan, with the balance paid from the District's future TWDB CWSRF loan.
- Fresno Gardens North Subdivision Wastewater Plumbing Contract
  - Townhall meetings are underway with remaining meetings to occur on September 19, 2019, October 17, 2019 and November 21, 2019.
- 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. Jacobs recommends conducting a topographical survey of the Trammel Fresno Road right-of-way once the road project is completed.
- 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
  - The project is under construction.
  - Public Work: The Contractor has installed the 8” sanitary sewer line within the public easement, and completed testing. The Contractor is now working on final site clean-up.
  - Private Work (Community Center): The Center has been connected to the public wastewater system, and the on-site wastewater system has been decommissioned. The Contractor is working on final site clean-up; and the County will be re-stripping the parking lot.
  - Private Work (Church): The Church has been connected to the public wastewater system, and the private on-site waster system has been decommissioned. The Contractor is currently working on final site clean-up. Jacobs will present to the Board a Change Order at the next meeting for additional work to be done on the Church property.
  - Mr. Dybala presented to the Board for approval Invoice No. 2 from Reddico Construction Co., Inc., in the amount of \$402,024.60, and recommended its approval. Upon motion duly made and seconded, the Board voted unanimously to approve Invoice No. 2.
- Water Plant #2
  - Jacobs received agency review comments from all review agencies and incorporated all such comments, except for FBC Drainage and City of Pearland.
  - Mr. Dybala discussed options to address the drainage issue. The concept must be approved by FBC Drainage and the City of Pearland.
  - Once the drainage issue is resolved, Jacobs will (a) prepare final mylars of the construction plans; and (b) submit construction documents to the Texas Commission on Environmental Quality for approval.
  - Once all of the above is completed and approved, Jacobs will send the construction documents to the TWDB. Jacobs anticipates TWDB approval to advertise the project in early second quarter of 2020.
  - District Est. Water Conn. Timeline (FBCFWS#1 WP#1 Connection Capacity 1,600)
    - o End of 2019=1,600
    - o End of 2020=1,675
    - o End of 2021=1,750
    - o Anticipate completing District’s WP#2 by end of 2021

**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**

- None at this time.

**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**

- 4<sup>th</sup> TWBD DFUND Loan
  - Mr. Willis informed the Board that the TWDB approved the application. The bonds are tentatively scheduled to sell at the District's September 26, 2019 meeting, with closing at the end of October. In connection therewith, Mr. Willis presented a Resolution Declaring Intent to Reimburse Expenditures (the "Resolution") related to the Water Plant 2 project with future bond proceeds. Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to approve the Resolution.
- 3<sup>rd</sup> TWDB CWSRF Loan
  - Jacobs is working on the engineering and environmental sections for this application. These funds will be used 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. Mr. Dybala reported that the exhibits have been updated, and provided to the District's Attorney to post on the District's website. Mr. Willis advised that such exhibits have been posted.

**E. Discuss Emergency Preparedness Plan**

- Jacobs and EDP will review the EPP in April of each year to determine if changes are necessary.

**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.

- EDP will provide an update on the status of reimbursement from contractors for damaged waterlines.

**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. COA WWTP Expansion Status**

- Per communications last month with the City of Arcola’s Engineer, the project should be completed within the next month.

**J. Potential Emergency Water Interconnect with Charleston MUD**

- Jacobs is currently reviewing construction plans for the proposed interconnect.

**K. Potential Water Service to NalcoChampion**

- Mr. Dybala informed NalcoChampion that they may submit an application for District service for filling fire water tanks, and is awaiting receipt of the application and fee.

**L. Status of New Water Plant in City of Arcola**

- Mr. Dybala anticipates the City’s water plant to be complete by the end of 2021.

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.

**5. OPERATOR’S REPORT/TERMINATION OF SERVICE**

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

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

- Installed residential taps and meters at two (2) locations;
- Replaced asphalt following tap installation at 4647 FM 521;
- Repaired service line leak at 3403 California St.;
- Repaired service line leak at 231 Broadmore;

**1. 1514 Trammel Fresno – Tap Payment Request**

Mr. Willis informed the Board that the commercial customer at 1514 Trammel Fresno requested a payment arrangement for tap fees to connect to the District’s water system. Mr. Willis discussed with the Board EDP’s recommendation that an arrangement be allowed only on the tap portion of the quote (\$4,600), to be paid over a six to twelve month period. Further, EDP recommended that the inspection fees, deposit and application fee, as well as the first installment payment, be paid in full to initiate service. Upon motion duly made by Supervisor Medina,

seconded by Supervisor Fleck, the Board voted unanimously to approve a payment arrangement on the tap portion only, for twelve months, on the terms recommended by EDP.

## **2. Delinquent Water Accounts and Service Terminations**

Mr. Willis 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 Carreon, and after full discussion, the Board voted unanimously to approve the Operator's Report and approve the termination list.

## **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 meeting held on July 18, 2019, were presented for approval.

Upon a motion made by Supervisor Fleck, seconded by Supervisor Medina, and after full discussion, the Board voted unanimously to approve the minutes of the meeting held on July 18, 2019, as presented.

### **B. Legislative Update**

Mr. Willis then updated the Board on legislative matters.

The Board discussed:

House Bill 2706 – made revisions to the Public Funds Investment Act, updating the authorized investments for district funds. SKLaw will prepare for the Board's review and approval an amended Investment Policy, updated to reflect these changes.

Senate Bill 239 – Districts that provide water and/or sewer service must now provide on the billing to customers the following statement: "For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database or (district's website if the district maintains a website)." SKLaw will work with the district's operator to include the proper form of this statement on the water bills that will be sent to customers on or after September 1, the effective date of the law.

Senate Bill 944 – defined directors (or supervisors, as is the case for the District) as "temporary custodians" of public information relating to district business, subjecting directors' personal accounts and devices to compliance with Texas Open Government laws. If a past or present supervisor uses a personal device and/or email for district business, the supervisor must now store all of such information or turn the information over to the district. In order to avoid potential complications regarding a personal device or account in connection with Texas Open Government laws, emails can be set up for each supervisor to use for communicating all information relating to district business. SK Law is in the process of obtaining email

accounts for the use by each supervisor. SKLaw will begin directing all correspondence related to district business to these email accounts.

HB305 - To the extent a district maintains a website, House Bill 305 requires that certain information relating to the district be reflected on such website, including district contact information, directors' names, board meeting dates and locations, candidacy deadlines for election to the board, and notices and minutes of meetings. The law does not require a district to maintain a website if it does not already have one.

Upon motion duly made by Supervisor Fleck and seconded by Supervisor Casher, the Board voted unanimously to take any and all action necessary to comply with the legislative changes noted above, including authorizing Don Dulin to set up District email addresses for the supervisors.

### **C. Resolution Regarding Annual Review of Investment Policy**

Mr. Willis presented to the Board a Resolution Regarding Annual Review of Investment Policy.

Upon a motion made by Supervisor Casher, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to approve the Resolution Regarding Annual Review of Investment Policy.

## **7. REGIONAL PLANT COMMITTEE REPORT**

The President then presented 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.

## **8. DISCUSS 2019 TAX LEVY AND CALL PUBLIC HEARING**

The Board recognized Mr. Smalling and considered a Tax Rate Analysis prepared by Baird. Mr. Smalling noted that Baird recommends a debt service tax rate of \$0.57 per \$100 assessed valuation and an operation and maintenance tax rate of \$0.43 per \$100 assessed valuation for a total tax rate of \$1.00 per \$100 of assessed valuation. Mr. Willis reminded the Board that setting the tax rate is a two-step process. The first step is to establish a proposed tax rate, to call a public hearing on the proposed tax rate, and to authorize publication of notice of the proposed tax rate and public hearing in a newspaper of general circulation in Fort Bend County. The second step is to conduct the public hearing and official set the tax rate.

Upon a motion made by Supervisor Casher, seconded by Supervisor Medina, and after full discussion, the Board voted unanimously to (1) establish its intent to set and levy (i) a debt service tax rate for 2019 in the amount of \$0.57 per \$100 assessed valuation, and (ii) an operation and maintenance tax of \$0.43 per \$100 assessed valuation for a total tax rate of \$1.00 per \$100 assessed valuation, (2) to call a public hearing on the proposed tax rate for Thursday, September 26, 2019, at 6:00 P.M. at the regular meeting place of the Board, and (3) to authorize publication of the proposed tax rate and public hearing.

## **9. HEAR FROM THE PUBLIC**

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

PASSED, ADOPTED, and APPROVED this

September 26, 2019

Calvin Cashee

Secretary

[SEAL]