

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

December 19, 2019

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 December 19, 2019, commencing at 6:03 p.m. at 4521 F.M. 521 North, Fresno, Fort Bend County, Texas, a designated meeting place 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: Jennifer day with McCall Gibson Swedlund Barfoot PLLC; Cindy Grimes with Municipal Accounts & Consulting, LP, the District's Bookkeeper ("MAC"); David Dybala with Jacobs Engineering Group, Inc. ("Jacobs"), the District's Engineer; 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 R. Willis and Tamara Sharkey 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. HEAR FROM PUBLIC (MATTERS ON THE AGENDA)

The Board noted that there were no members of the public present who wished to address the Board concerning matters on the Agenda.

2. ENGAGE AUDITOR TO AUDIT DISTRICT FINANCIAL RECORDS

The Board recognized Ms. Jennifer with McCall Gibson Swedlund Barfoot PLLC ("McCall Gibson"), who presented the proposal from McCall Gibson to audit the District's financial records for a two-year period, including the fiscal year ending December 31, 2019.

Upon a motion made by Supervisor Fleck, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approval McCall Gibson's proposal to audit the District's financial records.

3. BOOKKEEPER'S REPORT

The Board then 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. Ms. Grimes also presented additional checks for the Board's review, including the District's insurance policy premium, \$1,000.00 to Union Pacific Railroad, to be further discussed under the Engineer's Report, and payment of Pay Estimate No. 1 from R Construction in the amount of \$67,500.00, to be further discussed under the Engineers Report.

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 Medina, seconded by Supervisor Fleck, 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, including the additional checks for payment of the District's insurance policy premium, \$1,000.00 to Union Pacific Railroad for supplementing the existing agreement, and Pay Estimate No. 1 from R Construction in the amount of \$67,500.00 for the Fresno Gardens North Subdivision Wastewater Collection System.

D. Budget for Fiscal Year Ending December 31, 2020.

Ms. Grimes then presented to the Board a draft budget for the fiscal year ending December 31, 2020.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Medina, and after full discussion, the Board voted unanimously to approve the budget for the fiscal year ending December 31, 2020.

4. TAX REPORT

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

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

5. ENGINEER'S REPORT

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

A. Status of Projects

- Fresno Gardens North Subdivision Wastewater Collection System
 - Mr. Dybala anticipates project completion in the third quarter of 2020.

- The contractor has commenced construction and 6” long side sanitary service leads have been installed along North Locust, South Locust, and Ash St. Long side leads are being installed along Pecan St. Installation of the 8” sanitary sewer line is in progress along South Locust and Ash St.
- Mr. Dybala presented to the Board for approval Pay Estimate No. 1 from R Construction Company (“R Construction”), in the amount of \$67,500.00, and recommended its approval.
- The City of Arcola and Centerpoint have coordinated, as discussed at previous meetings, for removal of the meter to the former Halliburton lift station and contractor is ready to begin demolition of the facility.
- Mr. Dybala informed the Board the groundwater level in the area was located at approximately 9’-10’ below grade, which was closer to the surface than anticipated. The entire project will now need dewatering, instead of the anticipated 50% of the project. Mr. Dybala noted a change order would not be necessary, as the original contract includes provisions for such additional work.
- The contractor is coordinating with Union Pacific Railroad (“UPRR”) to begin boring. The casing size was necessarily increased from 34” to 36” and UPRR requires additional consideration of \$1,000.00 (which previously was approved during this meeting) and a Board resolution approving a supplement to the contract permitting the boring across UPRR property.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to approve the Resolution Authorizing Supplemental Agreement with Union Pacific Railroad Company.

- Fresno Gardens North Subdivision Wastewater Plumbing Contract
 - The Board conducted the final town hall meeting on November 21, 2019 and secured 70 applications for this phase. The project will begin once the District installs the public wastewater system in this area.
- 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.
- 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.
- Gateway Acres Subdivision Wastewater Plumbing Contract
 - Townhall meetings will be conducted once the public wastewater lines for this area are under construction.
- Water Plant #2
 - Jacobs is incorporating all reviewing agency comments into the plan set and preparing final construction drawings. Once completed, Jacobs will seek and obtain final agency signatures and approvals.
 - Jacobs anticipates advertising the project in mid-2020.

- District Estimated Water Connection Timeline (FBCFWSD#1 WP#1 Connection Capacity = 1,750)
 - 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 at this time.

C. Authorize solicitation/advertisement of bids for construction of water system and wastewater system projects as necessary

- The Board noted that no action was necessary at this time.

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

1. Project One Year Warranty Expiration Dates

- FM 521 Wastewater Extension warranty expires August 15, 2020.

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. 4th TWDB DFUND Loan

- The TWDB loan for \$1,745,000 will be used to complete the Water Plant No. 2 project.

5. 3rd TWDB CWSRF Loan or TCEQ Loan

- Jacobs has finalized the engineering and environmental sections for this loan application estimated at \$12,665,000. 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 projects, and certain costs related to the District's share of an Expansion of the City of Arcola (the "City" or "COA") Wastewater Treatment Plant.
- A workshop will be held at the January Board meeting to discuss loan options.

6. Fort Bend County CDBG Funds

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

E. Projections for District Water and Wastewater Projects

- Need to update information every January and July.

F. Discuss Emergency Preparedness Plan

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

G. Requests for Water and Sanitary Sewer Service

- **Water Service**
 - Mr. Dybala reviewed the status of non-residential applications for water service, updates on applications in process, and pending connections.
 - Mr. Dybala presented to the Board the application and fee for water service to St. James Knanaya Church.

Upon motion made by Supervisor Fleck, and seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the application for water service to St. James Knanaya Church.

- **Wastewater Service**
 - Mr. Dybala reviewed the status of non-residential applications for wastewater service and pending connections.
 - Mr. Dybala noted Morris Storage and Stoneham Commercial have not responded to EDP's attempts to contact them. The consensus of the Board was to remove Morris Storage from approved water and wastewater connections. Supervisor Hamilton make an additional attempt to contact Stoneham Commercial.

H. Trammel Fresno Road Widening Project

- EDP has reported all waterline adjustments approved at this time have been completed.

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

- Brazoria County Municipal Utility District No. 21 ("BC MUD 21") is interested in pursuing an interconnect once the District completes Water Plant No. 2.

J. Emergency Water Interconnect with Charleston Municipal Utility District

- Jacobs received updated construction plans for the proposed interconnect with Charleston Municipal Utility District ("Charleston MUD") and has submitted its comments to the City.

K. Consider Water Service to NalcoChampion

- Mr. Dybala noted the customer was informed it can apply for District water service that can be used to fill water tanks for fire event use.

L. Status of COA Water Plant

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

M. Status of COA WWTP Expansion Project (0.675 mgd to 0.95 mgd)

- The Board responded to the City stating the District's interest in participating in the proposed expansion and reserving a capacity of 100,000 gpd.

N. Water Interconnect between the District and COA

- The TCEQ requested information related to this interconnect and Jacobs submitted the requested information on December 18, 2019.

Supervisor Carreon then informed the Board he would circulate information regarding a possible application for additional grant funds for the District, and would like the District to coordinate with the County.

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.

6. 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.

A. Repairs to Water and Wastewater systems

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

- Installed residential taps and meters at twelve (12) locations; and
- Repaired leaking blowoff valve at 3002 Illinois Rd.

Ms. Campbell reported the customer at 4714 Doreen Avenue is requesting an adjustment to the customer's water bill due to an anomalous high-water usage reading. The customer and customer's landlord have not located any leaks and there are no other periods of similarly high-water usages recorded for the customer.

Upon a motion duly made by Supervisor Carreon, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the adjustment decreasing the customer's water bill by \$451.00.

Ms. Campbell also reported she is coordinating the inspection for the water plant tanks and piping. Ms. Campbell evaluated the reflectors, as discussed at the previous meeting, and is requesting authorization to install new reflective taps for approximately \$8,100.60 and to flush and repaint 516 hydrants for approximately \$23,736.00.

Upon a motion duly made by Supervisor Medina, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the installation of new reflective taps for approximately \$8,100.60 and the flushing and repainting of 516 hydrants for approximately \$23,736.00.

B. Requests for Water Taps

Ms. Campbell did not report any requests at this time.

C. Delinquent Water 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.

Ms. Campbell and Mr. Dybala then informed the Board the customer at 631 Locust disputed its exclusion from the public water and wastewater connection project but requested a connection solely to the water system while installation is still underway. The consensus of the Board was that customers who had not properly applied for public water or wastewater connections could have water connected to their property at the customer's cost while the installation was still in progress in the customer's area. No such additional water connections would be permitted once the installation for such area was complete and no wastewater connections would be permitted at any time.

Upon a motion duly made by Supervisor Medina, seconded by Supervisor Fleck, and after full discussion, the Board voted unanimously to approve (1) the Operator's Report; (2) the repairs to the water and waste water system; and (3) the termination list.

7. 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 November 21, 2019, were presented for approval.

Upon a motion made by Supervisor Medina, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the minutes of the meeting held on November 21, 2019, as presented.

B. Discuss COA Wastewater Treatment Plant Expansion

Mr. Willis noted next steps require the City's response to the District's capacity request, as further discussed under the Engineer's Report.

C. Discuss Fort Bend Subsidence District Right-of-Entry Agreement

Consideration was then given to the proposed Right-of-Entry Agreement with the Fort Bend Subsidence District ("FBSD"), as discussed at prior meetings. The monitoring stations may be placed in a remote area, are installed and maintained at FBSD's sole expense, and are removeable upon 30 days' notice.

Upon a motion duly made by Supervisor Fleck, seconded by Supervisor Medina, the Board voted unanimously to approve the Right-of-Entry Agreement, a copy of which is on file in the Official Records of the District.

D. Discuss Emergency Interconnect with Charleston MUD

Mr. Willis reported to the Board that he has submitted comments to the Emergency Interconnect Agreement with Charleston MUD, including that COA will not grant any capacity to Charleston MUD on a temporary or permanent basis in excess of its allotted capacity in the District's water system. Mr. Willis

requested the Board approve the proposed agreement subject to incorporation of Mr. Willis' comments and finalization by the attorneys for COA Charleston MUD.

Upon a motion by Supervisor Fleck, seconded by Supervisor Medina, and after full discussion, the Board voted unanimously to approve the agreement subject to incorporation of comments from Mr. Willis and final approval by the attorneys for the District, COA, and Charleston MUD.

E. Approve Resolution Regarding Eminent Domain

Mr. Willis next presented to and reviewed with the Board a proposed Resolution Authorizing Filing with Comptroller of Public Accounts of State of Texas Documentation of Eminent Domain Authority and recommended approval of said resolution. Mr. Willis noted that Texas law requires governmental entities with eminent domain authority to report annually to the Comptroller certain information relating to the District's eminent domain authority, noting that this year's report is required to be filed on or before February 1, 2020.

Upon motion by Supervisor Medina, seconded by Supervisor Casher, the Board voted unanimously to adopt the Resolution Authorizing Filing with Comptroller of Public Accounts of State of Texas Documentation of Eminent Domain Authority. A copy of said resolution is on file in the official records of the District.

8. REGIONAL PLANT COMMITTEE REPORT

The President then presented the Regional Plant Committee Report.

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

9. HEAR FROM THE PUBLIC

At this time, the Board opened the meeting to comments from the public. The Board recognized Mr. Kevin Murray who wished to discuss the costs of connecting to wastewater services in the District. The Board informed Mr. Murray that he was comparing the costs of connecting in the District to those for connecting in the City of Arcola and the rate order for the District or the City determines the costs.

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PASSED, ADOPTED, and APPROVED this January 16, 2020.

Calvin Casler
Secretary

