

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

November 21, 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 special session, open to the public, on November 21, 2019, commencing at 5:00 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: 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, Raquel Garcia, and Luisa Conde 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. UPDATE ON ELECTRICITY CONTRACT

The Board recognized Ms. Grimes, who reported the electrical contract, as approved at the meeting on September 26, 2019, locked into the contract rate of \$0.03812 per kilowatt hour.

The Board noted that no action was necessary.

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.

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 Casher, 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.

4. TAX REPORT

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

Upon motion duly made by Supervisor Casher, seconded by Supervisor Fleck, 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
 - The Contractor has submitted the majority of materials submittals needed for the project and expects to begin construction the first week of December. Mr. Dybala anticipates project completion in the third quarter of 2020.
- Fresno Gardens North Subdivision Wastewater Plumbing Contract
 - The Board will conduct the final town hall meeting at the conclusion of this meeting.
- 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
 - The project is complete, except for completion of striping on the Church parking lot.
 - Mr. Dybala presented to the Board for approval Invoice No. 5 from Reddico Construction Co., Inc. (“Reddico”), in the amount of \$78,345.23, and recommended its approval. The Board instructed the check to be held until Jacobs gives notice that the project is fully completed.

- Water Plant #2
 - Jacobs received agency review comments from all review agencies and incorporated all such comments, including FBC Drainage and City of Pearland. Jacobs is incorporating all agency comments into the plan set, and preparing final mylar drawings. Once completed, Jacobs will 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 mid-2020.
 - District Estimated Water Connection Timeline (FBCFWS#1 WP#1 Connection Capacity = 1,750)
 - End of 2019=1,600
 - End of 2020=1,675
 - End of 2021=1,750
 - 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

- 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. 4th TWBD DFUND Loan

- The Texas Water Development Board (“TWBD”) loan for \$1,745,000 will be used to complete the Water Plant No. 2 project.

5. 3rd TWDB CWSRF 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 an Expansion to the City of Arcola (the “City” or “COA”) Wastewater Treatment Plant.

6. Funding Options for Participation in Proposed Expansion to the COA Wastewater Treatment Plant

- The City has proposed expanding the Wastewater Treatment Plant from 0.675 mgd to 0.95 mgd. Jacobs will need to determine the additional capacity required for the District and would then obtain estimated costs for participating in the expansion from the City. Jacobs is currently working with the District’s attorney and financial advisor to evaluate options for funding the District’s share of the proposed expansion. The Board noted it had 45 days to respond to the letter from the City regarding the District’s participation in the expansion.

Upon motion made by Supervisor Medina, and seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to authorize (i) Jacobs to evaluate the District’s capacity needs, including projected capacity needs for nearby subdivisions which may desire to be annexed into the District in the future; and (ii) SKLaw to respond to the City’s letter, noting the Board’s desire to participate in the expansion for approximately 100,000 gallons-per-day.

Supervisors Casher and Carreon asked Mr. Dybala to encourage the larger commercial entities and potential land developers to consider participating in the cost for future wastewater treatment plant expansions.

7. 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 discussed a residential connection on West Davis, and explained to the Board that the homeowner is landlocked and would require obtaining an easement. The Board noted that the homeowner would have an opportunity to connect during the future clean-up phase.
- **Wastewater Service**
 - Mr. Dybala reviewed the status of non-residential applications for wastewater service and pending connections.

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. COA WWTP Expansion Status

- The expanded WWTP should be online by November 11, 2019. Invoices after this date should reflect the new cost sharing amounts.

K. 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.

L. Consider Water Service to Nalco Champion

- 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.

M. Status of COA Water Plant

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

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

- Mr. Dybala discussed with the Board the communications with the City regarding the proposed expansion.

Upon motion made by Supervisor Fleck, and seconded by Supervisor Medina, and after full discussion, the Board voted unanimously to approve the Engineer's Report and payment of Invoice No. 5 from Reddico in the amount of \$78,345.23 for the FM 521 Sanitary Sewer Extension, pending notice the project has been fully completed.

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 five (5) locations;
- Replaced fire hydrants at 3003 Pennsylvania St. and 3002 Illinois Rd.;
- Repaired short service line at 3002 Illinois Rd.; and
- Performed lead and copper sampling to comply with regulatory standards.

Ms. Campbell also reported that an inspection is scheduled for the water plant tanks and piping and the inspection of water well #1 noted no issues. Supervisor Medina requested Ms. Campbell install new road reflectors in Televue Terrace to replace missing reflectors.

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.

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

A. Approval of Minutes

The proposed minutes of the meetings held on September 26 and October 24, 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 meetings held on September 26 and October 24, 2019, as presented.

B. Discuss Arcola Wastewater Treatment Plant

Mr. Willis noted this item was discussed with the Engineer's Report.

C. Amended and Restated Rate Order

Consideration was then given to the proposed Amended and Restated Rate Order, as discussed at prior meetings.

Upon a motion duly made by Supervisor Fleck, seconded by Supervisor Medina, the Board voted unanimously to approve the Amended and Restated Rate Order, a copy of which 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 Casher, seconded by Supervisor Fleck, 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 provision of wastewater services to his and his father's residences. The Board noted that the homeowners turned in applications during the application period for the incorrect project phase and stated the homeowners would need to apply for service through EDP, and pay for the connections (or commence the payment plan with EDP) prior to applying for wastewater services during the current phase. After discussion, and upon motion duly made and seconded, the Board voted unanimously to authorize EDP to connect Mr. Murray's residence to the District's water system at the District's cost; and noted that Mr. Murray's father would have to pay for his connection.

10. TOWN HALL MEETING/PUBLIC COMMENT

The Board then opened the town hall meeting, and received questions from the public regarding wastewater services to the Fresno Gardens North service area.

There being no further business to come before the Board, upon a motion duly made and seconded, the Board voted unanimously to adjourn.

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PASSED, ADOPTED, and APPROVED this December 19, 2019.

Cabrin Casher

Secretary

