

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

February 20, 2020

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 February 20, 2020, commencing at 6:00 p.m. at 4521 F.M. 521 North, Fresno, Fort Bend County, Texas 77545, 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 except Supervisor Hamilton, 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; Bart Downum 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 recognized Mr. Coyle, who discussed construction efforts on the District’s projects near Kansas St. He reported that contractors in the area would block driveways with their vehicles, dirt and debris was not timely swept and became mud puddles whenever it rained, and some fences and mailboxes had been damaged. Mr. Dybala noted he had discussed some of the issues with the contractors previously, but would address all of Mr. Coyle’s concerns with them again and monitor their compliance.

The Board then recognized Mr. Castillo who inquired as to how his property could be included in the District’s water and wastewater supply projects. It was determined his residence at 634 Cleo St. is in Phase III and will be notified when the District is beginning the sign-up for that Phase.

The Board then recognized Mr. Murray who requested he be placed on email distribution for notification of upcoming Board meetings.

The Board noted that there were no further members of the public present who wished to address the Board concerning matters on the Agenda and no action was necessary at this time.

2. 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 an additional check for the Board's review to Fort Bend County in the amount of \$3,700 for hosting of the joint election.

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 Medina, 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 check to Fort Bend County for election services in the amount of \$3,700.

3. TAX REPORT

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

Upon motion duly made by Supervisor Medina, seconded by Supervisor Casher, 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

- Fresno Gardens North Subdivision Wastewater Collection System
 - Mr. Dybala anticipates project completion in the second quarter of 2020.
 - The contractor has completed installation of the sanitary sewer along N. and S. Locust St., Ash St., Pecan St., and Cedar St. Only final testing and surface repairs remain.
 - Installation is in progress for the sanitary sewer system along Kansas St.
 - The Contractor has demolished the fencing and above-ground electrical components of the former Halliburton lift station and anticipate complete demolition of the lift station in late March. In response to questions by Director Carreon, Mr. Dybala noted the updates along F.M. 521 allowed demolishing of this lift station without the need for construction of a new lift station in the District.
 - The Contractor has not begun construction on the TxDOT and Union Pacific Railroad ("UPRR") crossing.

- Mr. Dybala presented to the Board for approval Pay Estimate No. 3 from R Construction Company (“R Construction”), in the amount of \$748,285.20 and Invoice No. 1 from Geotest in the amount of \$8,903.90, and recommended approval.
- 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 and securing a new loan.
 - Jacobs anticipates presenting to the Board a proposal for a topo survey of the completed Trammel Fresno Road ROW and update of construction plans in March/April.
 - In response to inquiry from Director Carreon, Mr. Dybala noted wastewater lines will be provided to any eligible homes in the project area so long as there is access from a public right-of-way and this includes homes along dead end roads.
- 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 and securing a new loan.
 - Jacobs anticipates presenting to the Board a proposal for a topo survey of the completed Trammel Fresno Road ROW and update of construction plans in March/April.
- 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 2020=1,675
 - o End of 2021=1,750
 - o Anticipate completing District’s WP#2 by end of 2021.
 - The Board then discussed a trespassing incident on the grounds of Water Plant #2, where several people were driving trucks and the vehicles became stuck in the mud until removed by the Sherriff’s office, and the resulting damages to the property. The Board recognized a resident, who was one of the trespassers, and considered his apology and offer to have his father’s landscaping company perform repairs or pay for damages he caused. The consensus of the Board was to have the landscaping company evaluated for its suitability to perform work for the District and to get a proposal for repairing the damages to be considered at the next meeting. The Board

then discussed adding No Trespassing signs and the optimal locations around the property.

Upon motion duly made by Supervisor Carreon, seconded by Supervisor Casher, the Board voted to approve 7 sign units (which includes the installation of a pole, concrete, and signs in English and Spanish per unit) in an amount not to exceed \$500 per sign unit, and designate Supervisor Fleck to approve the final estimated cost and design before installation.

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

- The remaining funds for Fresno Gardens North Subdivision Wastewater Collection System project from this loan are fully utilized with the payment of Pay Estimate #3 to R Construction, as discussed above.

4. 4th TWDB DFUND Loan

- The remaining funds from 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, but per the Board's request, additional information will be presented at the March meeting to outline the phases and potential funding sources for the following projects: 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. Jacobs will also present information on additional projects that could be included in this funding plan.

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 Quality Paint and Body, and the application, approved at the previous meeting, for water service to Enriguez Tire Shop for approval to have EDP begin processing.
- **Wastewater Service**
 - Mr. Dybala reviewed the status of non-residential applications for wastewater service and pending connections, including his attempts to contact applicants approaching 1 year without finalizing their applications for services.
 - Mr. Dybala presented to the Board the application and fee for Quality Paint and Body for wastewater service.
 - Mr. Dybala noted Stoneham Commercial has not responded to EDP's attempts to contact them. The consensus of the Board was to remove Stoneham from its pending connections list, as the application has expired.

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 with a 50/50 cost split. The consensus of the Board was that a connection was acceptable but the 50/50 cost split would only be for the actual connection and the costs for any extension would be solely BC MUD 21's responsibility. Mr. Dybala will evaluate the potential costs for the Board's review.

J. Emergency Water Interconnect with Charleston Municipal Utility District

- The proposed interconnect with Charleston Municipal Utility District ("Charleston MUD") is waiting for TCEQ approval. Mr. Willis reported the emergency interconnect agreement is final and all the District's comments were accepted.

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. Mr. Dybala spoke with COA consultants on the estimated costs and the preliminary estimate was approximately \$2,000,000 with a \$300,000 engineering fee, which would be prorated. COA is still finalizing the estimate and Jacobs will present the District's estimated share at that time.

N. Water Interconnect between the District and COA

- The TCEQ requested information related to this interconnect and Jacobs received an approval letter from the TCEQ regarding this interconnect.

O. FM 521 Roadway Widening Project

- Provided record drawings to Dannenbaum and a utility coordination meeting is expected in the coming months to discuss impact on District facilities.

P. Water Plant No. 1 Repairs

- Both tanks require recoating of internal services per EDP's inspection report. A repair schedule and plan will be presented once reports on piping is received and the project is estimated to begin in winter of 2020.

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 and approve the application for water service to Quality Paint and Body and Enriguez Tire Shop and the application for wastewater service to Quality Paint and Body.

5. 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.

A. Repairs to Water and Wastewater systems

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

- Installed residential taps and meters at six locations;
- Performed annual commercial meter testing;
- Performed annual fire hydrant inspection;

- Repaired fire hydrants at 4115 Emerald Lane and 724 Cleo St.;
- Replaced fire hydrant on 4521 F.M. 521;
- Repaired leak in water main at 824 Cleo St.;
- Plugged two wells; and
- Isolated tanks at water plant for further inspection.

Mr. Downum reported the reflector installation and repainting of 516 hydrants, as discussed at previous meetings, is in progress.

Mr. Downum also reported that a customer reports a sycamore tree in front of her house is dead and the customer is concerned the tree will eventually damage her home. Mr. Dybala confirmed the tree was in a project area but is located in a Fort Bend County ROW. Mr. Grigar agreed to determine if Fort Bend County has a standard reporting process for similar situations.

B. Requests for Water Taps

Mr. Downum did not report any requests at this time.

C. 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.

Mr. Downum informed the Board that EDP completed the North Fort Bend Regional Water Authority Annual Water Usage Report, and noted it will submit same by March 1, 2020.

Mr. Downum noted accountability was 89.8%, up from 76.7%, and Mr. Dybala noted there was an issue with the COA interconnect that contributed to the low value. Mr. Downum also noted annual flushing would contribute to a lower accountability on this report as well.

Upon a motion duly made by Supervisor Medina, seconded by Supervisor Casher, 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 account 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 January 16, 2020 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 January 16, 2020, 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 discussed at previous meetings. Mr. Dybala reported on discussions with COA's engineer regarding the expansion.

C. Approve Resolution Concerning Tax Exemptions For 2020.

Mr. Willis then presented to and reviewed with the Board a proposed Resolution Concerning Tax Exemptions For 2020.

Upon motion by Supervisor Casher, seconded by Supervisor Carreon, the Board voted unanimously not to grant any tax exemptions for 2020 and to adopt the Resolution Concerning Tax Exemptions For 2020. A copy of said resolution is on file in the official records of the District.

D. Authorize Attorney to Collect Delinquent Taxes

Consideration was then given to authorizing the District's delinquent tax attorney to collect the District's delinquent taxes. The Board noted that the District has a contract with Linebarger Goggan Blair and Sampson ("Linebarger") to collect the District's delinquent taxes and that such contract continues until terminated.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Casher, the Board voted unanimously to authorize Linebarger to collect the District's delinquent taxes, including the 2019 taxes that are delinquent on July 1, 2020 and thereafter.

E. Approve Resolution Implementing 20% Penalty on Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes.

Mr. Willis then presented to and reviewed with the Board a proposed Resolution Implementing 20% Penalty on Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes.

Upon motion by Supervisor Casher, seconded by Supervisor Carreon, the Board voted unanimously to (i) authorize a 20% penalty on 2019 real property taxes which are delinquent on July 1, 2020 and thereafter, (ii) authorize a 20% penalty on 2019 personal property taxes which are delinquent on April 1, 2020 and thereafter, and (iii) adopt the Resolution Implementing 20% Penalty on Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. A copy of said resolution is on file in the official records of the District.

F. Legislative update.

The Board then recognized Ms. Sharkey who reviewed with the Board the new legislative requirements for each Supervisor to undergo cybersecurity training by June 14 of each year.

7. REGIONAL PLANT COMMITTEE REPORT

Mr. Willis then presented the Regional Plant Committee Report.

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

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PASSED, ADOPTED, and APPROVED this March 26, 2020.



Secretary, Board of Supervisors

