

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

March 26, 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 special session, open to the public, on Thursday, March 26, 2020, at 6:00 p.m., via telephonic conference, as permitted by the March 16, 2020, Declaration by the Governor of the State of Texas which suspended certain provisions of Chapter 551, Texas Government Code. The roll was called of the 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 Carreon, thus constituting a quorum. Supervisor Carreon joined the meeting in progress.

Also present at the meeting were: Cindy Grimes with Municipal Accounts & Consulting, LP, the District's Bookkeeper ("MAC"); David Smalling with Robert W. Baird & Co. Incorporated ("Financial Advisor"), the District's Financial Advisor; David Dybala with Jacobs Engineering Group, Inc. ("Jacobs"), the District's Engineer; Breah Campbell with Environmental Development Partners ("EDP"), the District's Operator; Barbara Hamilton, a member of the public; 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 at 6:01 p.m. and the following business was transacted.

1. HEAR FROM PUBLIC (MATTERS ON THE AGENDA)

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

2. FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Smalling who presented to and reviewed with the Board a report regarding the potential refunding of the District's Unlimited Tax Bonds, Series 2008 and Series 2010. He noted the estimated savings to the District would be approximately 9.132%, however the market is currently fluctuating, and Mr. Smalling recommended the Board review the estimated savings again at the next meeting.

Mr. Smalling also noted the District would need to select an underwriter for the potential refunding, and submitted to and reviewed with the Board a list of proposed underwriters, a copy of which on file in the official records of the District. He recommended that the Board authorize the Financial Advisor to contact Raymond James & Associates, Inc. ("Raymond James") regarding submitting a proposal in

connection with underwriting the potential refunding bond issuance to present to the Board at the upcoming April meeting.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Fleck, and after full discussion, the Board voted unanimously to authorize the Financial Advisor to contact Raymond James regarding underwriting the proposed issuance of bonds by the District for presentation of the same at the April board meeting.

At this time, Mr. Smalling left the meeting.

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 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.

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, a copy of which is on file in the official records of the District, 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 except for final repairs along Pecan St. from Kansas St. to the manhole adjacent to the fire station. Low pressure testing is complete and manhole adjustments are in progress for vac and mandrel testing. Final surface repairs are in progress.

- The Contractor has completed demolition of the former Halliburton lift station and only final surface work remains.
 - Mr. Dybala anticipates construction on the TxDOT and Union Pacific Railroad (“UPRR”) crossing beginning in April and the contractor is currently coordinating with the boring subcontractor.
 - Mr. Dybala reported he had discussed the residents’ concerns from the previous meeting regarding projects in the area with the contractor, including the necessity of periodic street sweeping, keeping the county ROW clear, ensuring adequate drainage, and ensuring resident access to their properties.
 - Mr. Dybala presented to the Board for approval Pay Estimate No. 4 from R Construction Company (“R Construction”), in the amount of \$487,324.80 and Invoice No. 2 from Geotest Engineering, Inc. in the amount of \$8,425.55, and recommended approval.
 - Mr. Dybala presented to the Board for approval Change Order No. 1 from R Construction in the amount of \$30,750.00. Mr. Dybala explained the contractor had run into pure sand and had to hand tunnel instead of boring as contemplated in the contract. He notes the price per foot of the change order is the market price and recommended approval.
 - In response to a question by Supervisor Carreon, Mr. Dybala noted the contractor, as appropriate, either cut across or augered under driveways and only cut driveways would need to be replaced while the other could be repaired. Mr. Dybala noted this saved the District additional replacement costs and any aesthetic issues are temporary because Fort Bend County will be regrading the entire road after project completion.
- 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.
 - Mr. Dybala anticipates presenting to the Board a plumbing contract proposal at the next 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 and securing a new loan.
 - Jacobs anticipates presenting to the Board a proposal for a topo survey of the completed Trammel Fresno Road ROW at the April meeting. Once the survey is complete, Jacobs will update the project construction plans and provide them to reviewing agencies for approval.
- 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 at the April meeting. Once the survey is complete, Jacobs will update the project construction plans and provide them to reviewing agencies for approval.

- 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
 - Final construction drawings are complete and Jacobs has submitted them for final agency signatures and approvals. Once approved, the construction documents will be submitted for TWBD approval to advertise the project.
 - Jacobs anticipates advertising the project in the third quarter of 2020.
 - District Estimated Water Connection Timeline (FBCFWSD#1 WP#1 Connection Capacity = 1,750)
 - End of 2020=1,675
 - End of 2021=1,750
 - Anticipate completing District's WP#2 by end of 2021 or early 2022.
 - The Board then discussed the status of adding No Trespassing signs, as discussed at the previous meeting.

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. 4th TWDB DFUND Loan

- Jacobs anticipates using remaining funds for Water Plant No. 2 project.

4. 3rd TWDB CWSRF Loan or TCEQ Loan

- Mr. Dybala presented to and reviewed with the Board a report, a copy of which is on file in the official records of the District, regarding the potential funding options and phases 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. Mr. Dybala notes additional information is required from EDP for the anticipated FM 521 widening and from the Bookkeeper for the approximate costs of the buy-back of capacity in COA Water Plant No. 1.

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.

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 notes EDP has processed the application from Enriguez Tire Shop.
- **Wastewater Service**
 - Mr. Dybala reviewed the status of non-residential applications for wastewater service and pending connections.
 - Mr. Dybala noted he is waiting for additional information for the application from Quality Paint and Body.

H. Trammel Fresno Road Widening Project

- EDP has reported all waterline adjustments approved at this time have been completed, and Mr. Dybala anticipates presenting the final punch list to the Board in April.

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.

J. Emergency Water Interconnect with Charleston Municipal Utility District

- The proposed interconnect with Charleston Municipal Utility District (“Charleston MUD”) is waiting for TCEQ approval. Jacobs received a copy of the final emergency interconnect agreement. A pre-construction meeting was reportedly conducted on March 17, 2020.

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. As discussed at prior meetings, COA is finalizing the estimate and Jacobs will present the District's estimated share when the estimate is available.

N. 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.

O. 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 final reports are received and the project is anticipated to begin in winter of 2020.

Upon motion made by Supervisor Carreon, and seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve the (i) Engineer's Report, (ii) Pay Estimate No. 4 from R Construction in the amount of \$487,324.80, (iii) Invoice No. 2 from Geotest Engineering, Inc. in the amount of \$8,425.55, and (iv) Change Order No. 1 from R Construction in the amount of \$30,750.00.

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 two locations;
- Repaired well starter coil at water plant; and
- Cleaned Booster Pump No. 4 at water plant.

Ms. Campbell reported the reflector installation and water blasting and repainting of 516 hydrants, as discussed at previous meetings, is in progress.

Ms. Campbell also reported that EDP had received a letter from Fort Bend County Judge KP George requesting that all municipal utility districts within Fort Bend County suspend termination of service to customers and waive penalty fees until May 1, 2020. The consensus of the Board was to temporarily suspend termination of service for non-payment and waive penalty fees until May 1, 2020, with any potential extensions of such suspension and waiver to be discussed at the April meeting.

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, but noted they would not be subject to the disconnection of service if the Board authorized the suspension of termination of service for non-payment.

Ms. Campbell noted the accountability, which had dropped as discussed at previous meetings, had increased to 91.0%.

Supervisor Carreon noted a fire hydrant between California Road and Chimney Rock, by Family Dollar, was twisted. Ms. Campbell and Mr. Dybala agreed to investigate whether this was due to the road widening project. Ms. Campbell noted any other potentially damaged fire hydrants can be reported to EDP.

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) suspension of termination of service for nonpayment of utility bills, as well as waiver of penalty fees for late payment of utility bills, until May 1, 2020, subject to review at each Board meeting.

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 February 20, 2020 were presented for approval.

B. Discuss Regional Facilities Contract

Mr. Willis noted he discussed the expansion with COA consultant, Llarance Turner, who informed Mr. Willis a TCEQ inspection is being reviewed for a potential issue on ESFCs. Once resolved, Mr. Willis will update the Board.

C. Discuss Remote Meeting Options

Mr. Willis then discussed with the Board other potential hosting options for meetings and costs of each during suspension of the in-person requirement for meetings pursuant to the March 16, 2020, Declaration by the Governor of the State of Texas relating to the current pandemic of the disease, COVID-19, caused by a novel strain of coronavirus. Mr. Willis noted SK Law is considering several options for hosting video conferencing and the consensus of the Board was video conferences were preferable to telephonic for upcoming meetings, if available.

D. Discuss Purchases for District Business

Consideration was then given to authorizing the District's purchase of tablets for the Supervisors' use for District business. The Board discussed the need for devices capable of accessing meeting materials

and participating in remote meetings, as well as the effects of open records laws while accessing such materials and participating in such meetings while using personal devices or District devices. The Board determined a committee would be formed to investigate possible devices (particularly tablets) and internet and phone providers, as well as the costs of each. Supervisor Fleck and Supervisor Medina were selected as committee members and agreed to report to the Board at the next meeting on the costs involved and the merits of devices for use in District business.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to (i) approve the minutes as presented and (ii) form a committee consisting of Supervisors Fleck and Medina to evaluate the potential purchase of devices and internet/phone service for use in District business.

8. DISCUSS SUPERVISORS ELECTION

A. Approve Order Postponing Supervisors and Tax Assessor/Collector Election

Mr. Willis then presented to and reviewed with the Board a proposed Order Postponing Supervisors and Tax Assessor/Collector Election. Mr. Willis informed the Board that on March 18, 2020, the Secretary of State issued Election Advisory 2020-12 in which, out of concern for the public health and safety, political subdivisions were urged to postpone May 2, 2020 elections to November 3, 2020. Mr. Willis informed the Board adoption of such Order would not reopen the candidate application filing period and current Supervisors would continue to serve until the November 3, 2020 election.

Upon motion by Supervisor Hamilton, seconded by Supervisor Carreon, the Board voted unanimously to adopt the Order Postponing Supervisors and Tax Assessor/Collector Election, a copy of which is on file in the official records of the District.

9. REGIONAL PLANT COMMITTEE REPORT

Supervisor Hamilton 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.

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 April 16, 2020 .



Secretary, Board of Supervisors

