

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

April 16, 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 Thursday, April 16, 2020, at 6:00 p.m., via video and 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 Medina, 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; Michael Others with McCall Gibson Swedlund Barfoot PLLC, the District's Auditor; 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; Sandy Lopez, 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 6:00 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. AUDIT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019.

The Board recognized Mr. Others, who presented to and reviewed with the Board the audit for the fiscal year ended December 31, 2019.

Upon motion duly made by Supervisor Fleck, and seconded by Supervisor Carreon, the Board voted unanimously to approve said audit, a copy of which is available in the District's records.

3. FINANCIAL ADVISOR'S REPORT

The Board next recognized Mr. Smalling, who submitted to and reviewed with the Board an analysis relating to the issuance of approximately \$4,725,000 of refunding bonds (the "2020 Refunding Bonds") for the purpose of refunding a portion of the Series 2008 and Series 2010 Bonds. A copy of such analysis is on file in the official records of the District.

Upon motion duly made by Supervisor Carreon, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to delegate to Paul Hamilton or, in his absence, Greg Fleck, the authority to select the specific maturities of the bonds to be refunded and to effect the sale of the 2020 Refunding Bonds.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to authorize the issuance of up to \$10,000,000 in refunding bonds, contingent upon and subject to a net present value savings of not less than 4.00%.

The Board then recognized Mr. Willis, who presented to and reviewed with the Board the following documents in connection with the sale of the Bonds:

- a. acceptance of proposal to purchase the Bonds;
- b. Bond Purchase Agreement;
- c. Order Authorizing Issuance of the Bonds;
- d. General Certificate;
- e. Signature Identification and No Litigation Certificate;
- f. Bond Registrar, Paying Agency and Transfer Agency Agreement;
- g. Notice of Redemption with Letter of Instruction;
- h. Preliminary Official Statement;
- i. Resolution Regarding Delegation of Authority; and
- j. Other documents and certificates necessary to accomplish the sale of the Bonds.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to approve items a-j above to accomplish the sale and closing of the 2020 Refunding Bonds.

Mr. Smalling next discussed with the Board the financing options for the proposed Series 2020 bonds. Mr. Smalling noted the market is still fluctuating and the consensus of the Board was to discuss the proposed Bonds at the next meeting.

At this time, Mr. Smalling left the meeting.

4. 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, including two additional invoices for Jacobs which were not initially included in the report. Supervisor Carreon inquired as to whether the report would be more readable if printed in landscape rather than portrait layout.

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 Carreon, 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, including the two additional invoices from Jacobs, listed therein.

5. TAX REPORT

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

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

6. 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 June/July of 2020.
 - The contractor is in process of installing of the sanitary sewer under the TxDOT and Union Pacific Railroad ("UPRR") crossing and will then complete the installation from the UPRR to Kansas St. Final testing and surface repairs will follow completion of the remaining section of sanitary sewer system along Pecan St.
 - Mr. Dybala presented to the Board for approval Pay Estimate No. 5 from R Construction Company ("R Construction"), in the amount of \$329,100.07 and Invoice No. 3 from Geotest Engineering, Inc. in the amount of \$9,810.05, 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.
 - Mr. Dybala anticipates:
 - Requesting approval to advertise project – May 2020
 - Completion of Contract/Bid Documents – May 2020
 - Advertisement and Award of Project – June 2020
 - Contract Execution and Notice To Proceed Issued – July 2020
 - Construction – July/August 2020 through December 2020

- 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.
 - Mr. Dybala presented to the Board a proposal from Lantech, Inc. (“Landtech”) in the amount of \$59,700.00 for a detailed topographic survey along Trammel Fresno Road, from approximately Jan St. to Kansas St. (approximately 1.25 miles long for the full ROW width).

- 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.
 - The Landtech survey proposal discussed above will also be used for this 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
 - 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.

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 noted the Gateway Acres Subdivision Wastewater System, Fresno Ranchos Subdivision Lift Station and Force Main projects, and COA Wastewater Treatment Plant Expansion could be covered by a TCEQ loan of approximately \$10,450,000 and the remaining projects could be funded from the District's general fund and TWBD DFUND proceeds. Mr. Willis noted loans have the potential to impact operations and maintenance tax rates and maintaining reserves in the general fund should be balanced against financing options when determining which projects can be completed together in phases.

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.
- **Wastewater Service**
 - Mr. Dybala reviewed the status of non-residential applications for wastewater service and pending connections.
 - Mr. Dybala notes EDP has processed the application from Enriguez Tire Shop.

H. Trammel Fresno Road Widening Project

- EDP has reported all waterline adjustments approved at this time have been completed, and Mr. Dybala requests the Board's approval to visit the project site and prepare the final punch list to the Board.

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 Inspection

- 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) the survey proposal from Landtech in the amount of \$59,700.00, (iii) Pay Estimate No. 5 from R Construction in the amount of \$329,100.07, and (iv) Invoice No. 3 from Geotest Engineering, Inc. in the amount of \$9,810.05. Upon motion made by Supervisor Casher, and seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to approve a site visit to determine final punch items for the Trammel Fresno Road Widening Project.

7. 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 four locations;
- Performed inspections of water plant tanks;
- Repaired force main leak (Lift Station #1 shut down); and
- Repaired fire hydrant hit by contractor on Trammel Fresno Road.

Ms. Campbell reported the reflector installation and water blasting and repainting of 516 hydrants, as discussed at previous meetings, is expected to be complete by the end of the week.

Ms. Campbell also reported the installation of no trespassing signs at Water Plant #2, as discussed at previous meetings, is complete. The Board then discussed maintenance of the property, and the consensus of the Board was to mow the entire area, including property adjacent to that owned by the District where appropriate.

Ms. Campbell then discussed with the Board the continuation of the temporary suspension of termination for non-payment and waiver of penalties due to the ongoing pandemic until May 13, 2020, with any potential extensions of such suspension and waiver to be discussed at the May 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 next presented to and reviewed with the Board the (i) Annual Report on Identity Theft Prevention Program; (ii) CCR Provider Certificate of Delivery Drinking Water Quality Report ("COD") submitted to the TCEQ; (iii) Critical Load Facility List; and (iv) Water Loss Audit Annual Report, copies of which are on file in the official records of the District. Ms. Campbell noted no instances of identity theft were identified and does not recommend any changes to the ID theft prevention policy at this time.

Supervisor Carreon noted some of the fire hydrants listed on the report do not appear to match the listed addresses and requests EDP verify the locations.

Upon a motion duly made by Supervisor Carreon, 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) 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 13, 2020, subject to review at each Board meeting.

8. 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 March 26, 2020 were presented for approval.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to approve the minutes as presented.

B. Discuss Regional Facilities Contract

Mr. Willis noted the TCEQ inspection of the Regional Wastewater Treatment Plant, as discussed at previous meetings, is still being reviewed with the City of Arcola for a potential issue on ESFCs. Once resolved, Mr. Willis will update the Board.

C. Resolution Regarding Annual Review of Identity Theft Policy

Mr. Willis presented to the Board for review a Resolution Regarding Annual Review of Identity Theft Policy. Mr. Willis reminded the Board that EDP reported no red flags and no changes to the Policy are recommended.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to approve the Resolution Regarding Annual Review of Identity Theft Policy, a copy of which is on file in the official records of the District.

D. Resolution Designating Emergency Manager and Delegating Emergency Authority

Mr. Willis presented to the Board for review a Resolution Designating Emergency Manager and Delegating Emergency Authority. Mr. Willis noted that the ongoing pandemic could impact execution of documents related to the business of the District, and this temporary resolution, which automatically terminates unless extended, would permit a single member of the Board, or, in their absence, Mark Burton with MAC, to execute documents for the District.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Carreon, the Board voted unanimously to approve the Resolution Designating Emergency Manager and Delegating Emergency Authority, a copy of which is on file in the official records of the District.

E. Order Adopting Section 49.2731 Electronic Bidding Rules

Mr. Willis presented to the Board for review an Order Adopting Section 49.2731 Electronic Bidding Rules. Mr. Willis noted that the ongoing pandemic could impact execution of documents related to the District's construction projects, and this resolution would permit the District to permit bidding and acceptance of bids electronically.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, the Board voted unanimously to approve the Order Adopting Section 49.2731 Electronic Bidding Rules, a copy of which is on file in the official records of the District.

F. Discuss Purchases for District Business

Consideration was then given to authorizing the District's purchase of tablets for the Supervisors' use for District business, as discussed at previous meetings. Supervisor Fleck presented a summary of costs involved and the merits of devices for use in District business, including possible devices (particularly tablets) and internet providers, as well as the costs of each. The consensus of the Board was to continue the discussion at the next meeting.

9. COA REQUEST FOR ADDITIONAL WATER CONNECTIONS.

Mr. Willis then reported to the Board the COA requested additional temporary water connections until completion of the water plant. Mr. Dybala noted approximately 130 connections remain available and there is a concern that this number is insufficient for the District's needs. The consensus of the Board was to have Mr. Willis report to COA that the District is unable to provide any additional connections at this time.

10. REGIONAL PLANT COMMITTEE REPORT

Supervisor Hamilton then presented the Regional Plant Committee Report.

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

Supervisor Hamilton then informed the Board the volunteer fire department is now going to be funded by ESD No. 7 and requested assistance in informing residents that donations, while appreciated, are no longer necessary. Ms. Campbell and Mr. Willis will prepare a letter to residents informing them of this change.

11. HEAR FROM THE PUBLIC.

The Board recognized Sandy Lopez, owner of Quality Paint and Body, who wished to discuss the District's wastewater installation project. Ms. Lopez believes her driveway may have been damaged and the culvert is currently not draining due to the construction in the area. She requested the District install a large pipe size to address the decreased drainage. Mr. Dybala notes her driveway is a narrow area and high traffic area and the safest, most cost-effective way to place the waste water system was boring and pulling pipes rather than installing through a driveway cut. Mr. Dybala also notes that, while the culverts will be fully desilted and cleared out at the conclusion of the project, the determination of drainage facilities used for the area, including pipe size, is the responsibility of Fort Bend County. The Board instructed Ms. Lopez to bring comparison photographs for damages she believes remain after the conclusion of the project, including any damage to the existing drain pipes, and the District will ensure contractors fulfill any outstanding repair obligations. The consensus of the Board was to make no changes to the size and type of drainage facilities, as such changes need to be evaluated by Fort Bend County rather than the District. Mr. Grigar stated that once the work is complete, the county could reevaluate drainage, but the county would not attempt to determine if changes to the drainage facilities were appropriate while the District's project was ongoing.

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 June 18, 2020 .


Secretary, Board of Supervisors

