

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

May 21, 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, May 21, 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, thus constituting a quorum.

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; Dwayne Grigar with Fort Bend County Precinct No. 1; Nathan Rogers, 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 6:08 p.m. and the following business was transacted.

**1. HEAR FROM PUBLIC (MATTERS ON THE AGENDA)**

The Board recognized Mr. Rogers who wished to discuss with the Board the possibility of the inclusion of his property in the ongoing water and sewer service project. Mr. Dybala informed the Board the property is in the clean-up phase and is located next to the former Halliburton lift station, which has an abandoned sewer line, and could tie into water service from Kansas Street if an approximately 500 foot line is run from the meter to Mr. Rogers’ property. No sewer service could be provided without the current owner of the former lift station conveying an easement to the district. The consensus of the Board was that if Mr. Rogers ran the necessary water line, he would be eligible to receive water service at his cost. Mr. Dybala and Mr. Rogers agreed to discuss the timing, costs, and logistics Mr. Rogers could expect for installation of the water line.

At this time, Mr. Rogers exited the meeting.

## **2. FINANCIAL ADVISOR'S REPORT**

The Board next recognized Mr. Smalling, who reviewed with the Board the refunding results for the issuance of approximately \$4,850,000 of refunding bonds (the "2020 Refunding Bonds") for the purpose of refunding a portion of the District's Series 2008 and Series 2010 Bonds. A copy of the results is on file in the official records of the District. Mr. Smalling informed the Board the refunding resulted in a 7.402% net present value savings, which is a savings of approximately \$339,767, to the District.

### **Proposed Series 2020 Bonds**

The Board then recognized Mr. Willis who discussed with the Board the financing options for the District's proposed series 2020 bonds, the funds from which will be used to continue constructing the District's sanitary sewer collection system. Mr. Willis and Mr. Smalling recommend an application to the Texas Commission on Environmental Quality ("TCEQ"), rather than seeking an additional TWBD loan, as the payment structure will allow for minimum impact to the District's tax rate. The proposed bonds would be split into two issues in 2020 and 2021. Mr. Dybala requested authorization to begin preparation of the TCEQ bond application, which he estimated would be complete in 2-4 months.

Upon motion duly made by Supervisor Fleck, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to authorize Jacobs to prepare the bond application to the TCEQ.

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. Supervisors Carreon and Medina noted they had not received the report in advance of the meeting and Ms. Grimes stated she would send future reports via overnight delivery.

### **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 Casher, 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 Medina seconded by Supervisor Carreon, 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 June/July of 2020.
  - The contractor has completed installation of the sanitary sewer collection system, and final testing has been passed, with the exception of submission and review of the sanitary sewer videos. Only surface repairs remain outstanding. Mr. Dybala informed the Board he contacted Quality Paint and Body regarding the status of the project and final driveway repairs, as discussed with the owner at a previous meeting, and is waiting for a response. Mr. Grigar informed the Board that the drainage in the area, including that for Quality Paint and Body, is under review by the drainage district.
  - Mr. Dybala presented to the Board for approval Pay Estimate No. 6 from R Construction Company ("R Construction"), in the amount of \$419,596.20 and Invoice Nos. 4 and 5 from Geotest Engineering, Inc. in the amounts of \$3,970.70 and \$2,173.25 respectively, 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 at this meeting.
    - Advertisement and Award of Project – June 2020
    - Contract Execution and Notice to Proceed Issued – July 2020
    - Construction – August 2020 through December 2020

Upon motion duly made by Supervisor Medina seconded by Supervisor Carreon, the Board voted unanimously to authorize Jacobs to advertise the project.

- 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 informed the Board the CAD document is expected in July from Landtech, Inc. ("Landtech") 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 July 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 projects through 2023. The following projects would be funded by the TCEQ loan discussed earlier during the meeting: 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

remaining projects could be funded from the District's general fund and TWBD DFUND proceeds.

**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. Mr. Dybala anticipated presenting recommended updates at the next meeting.

**F. Discuss Emergency Preparedness Plan**

- Jacobs and EDP will review the EPP in April of each year to determine if changes are necessary. EDP is to prepare any updates for the Board's review at upcoming meetings.

**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 informed the Board an application from Stop N' Grubb (mobile food truck) was received and recommends approval subject to EDP's approval of the application.

Upon motion duly made by Supervisor Fleck seconded by Supervisor Medina, the Board voted unanimously to approve the application for water service from Stop N' Grubb, subject to EDP's approval of same.

• **Wastewater Service**

- Mr. Dybala reviewed the status of non-residential applications for wastewater service and pending connections.

**H. Trammel Fresno Road Widening Project**

- Jacobs and EDP have walked the project site and EDP is preparing the final punch list to present to the Board. Jacobs is updating the record drawings to reflect the completed project.

**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. Once the project has been completed, record drawings will be provided to the District.

**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 surfaces and some pipe and equipment will need to be replaced 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 Casher, and seconded by Supervisor Medina, and after full discussion, the Board voted unanimously to approve the (i) Engineer’s Report, (ii) Pay Estimate No. 6 from R Construction in the amount of \$419,596.20, and (iii) Invoice Nos. 4 and 5 from Geotest Engineering, Inc. in the amounts of \$3,970.70 and \$2,173.25.

**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 eight locations;
- Installed a commercial tap and meter at one location;
- Top cleaned the wet well at the lift station;
- Repaired service line leaks at 1714 Avenue A and 3402 Ohio Street; and
- Repaired a leaking saddle at 4635 Bryan.

Ms. Campbell reported the reflector installation will begin, now that the painting of the 516 fire hydrants is complete.

Ms. Campbell next presented to and reviewed with the Board the (i) Consumer Confidence Report ("CCR"); (ii) TWDB Water Conservation Plan Annual Report ("WCP Report"); and (iii) replacement of a water plant booster pump motor for \$5,400.00.

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 June 1, 2020, with any potential extensions of such suspension and waiver to be discussed at the June meeting. Ms. Campbell also requested authorization to enter into payment arrangements up to six months in duration for delinquent accounts upon request.

**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.

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. Supervisor Carreon also asked whether expansion tanks are still required.

Upon a motion duly made by Supervisor Casher, seconded by Supervisor Medina, 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, including the booster pump motor replacement for \$5,400.00; (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 June 1, 2020, subject to review at each Board meeting; and (4) the CCR, and to authorize electronic delivery thereof.

**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 April 16, 2020 were presented for approval.

The Board deferred action on the minutes.

**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 emergency Preparedness Plan**

Mr. Willis presented to the Board for review a Resolution Regarding Annual Review of Emergency Preparedness Plan. Mr. Willis reminded the Board that EDP will prepare any necessary updates to the contact information contained therein. Mr. Dybala noted that he had no recommended revisions.

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

**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, 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.

**8. REGIONAL PLANT COMMITTEE REPORT**

Supervisor Hamilton then presented the Regional Plant Committee Report.

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

**9. HEAR FROM THE PUBLIC.**

The Board noted that there were no members of the public present at the meeting that wished to address the Board.

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 .

