

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

February 17, 2022

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, at 6:00 p.m. on Thursday, February 17, 2022, 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 members of the Board, to wit:

Paul Hamilton	President
Rosa Linda Medina	Vice-President
Calvin Casher	Secretary
Rodrigo Carreon	Assistant Secretary
Erasto Vallejo	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; David Smalling with R. W. Baird & Co., Inc. ("Baird"), the District's Financial Advisor; members of the public on the attached attendance sheet; and Michael R. Willis 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)

At this time, the Vice President opened the meeting to comments from the public.

2. FINANCIAL ADVISOR'S REPORT; RECEIVE BIDS AND AWARD SALE OF BONDS

The Board then considered receiving bids for the District's \$10,450,000 unlimited Tax Bonds, Series 2022 (herein, the "Bonds"). The Board recognized Mr. Smalling, who informed the Board that four bids were received. Mr. Smalling submitted to and reviewed with the Board a bid comparison, a copy of which is attached hereto, and further reviewed the bids that had been received for the sale of the Bonds.

The bids were as follows:

<u>Bidder</u>	<u>Net Effective Interest Rate</u>
SAMCO Capital Markets	3.119487%
HilltopSecurities	3.214075%
Huntington Securities	3.368057%

KeyBanc Capital Markets

3.519955%

Mr. Smalling recommended that the Board accept the bid submitted by SAMCO Capital Markets, as it was the low bidder with a net effective interest rate of 3.119487%.

Upon motion by Supervisor Casher, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to accept the bid on the Bonds submitted by SAMCO Capital Markets, as it was the low bidder with a net effective interest rate of 3.119487%.

APPROVAL AND AUTHORIZATION OF DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS

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

- a. Order Authorizing Issuance of the Bonds;
- b. Order Approving Official Statement;
- c. General Certificate;
- d. Signature Identification and No Litigation Certificate;
- e. Tax Exemption Certificate;
- f. Closing Certificate of President;
- g. Bond Registrar, Paying Agency, and Transfer Agency Agreement;
- h. Letters addressed to Attorney General of Texas and Sanford Kuhl Hagan Kugle Parker Kahn LLP regarding dating of the Signature Identification and No Litigation Certificate and the General Certificate and Letter to the Comptroller regarding delivery of the Initial Bonds;
- i. Rule 15c2-12 Certificate;
- j. IRS Form 8038-G; and
- k. Other documents and certificates necessary to obtain approval of the Bonds by the Attorney General of Texas.

Mr. Willis provided an explanation of each of the bond sale documents:

(a) the Order Authorizing Issuance of the Bonds is the contract between the District and the bondholders and provides, among other things: (1) the legal authority for the District to issue the Bonds; (2) the interest rates on the Bonds; (3) the District's obligation to levy ad valorem taxes to pay the principal and interest due on the Bonds; (4) the designation of the Paying Agent/Registrar for the Bonds; and (5) the covenant by the Board to maintain the tax exempt status of the Bonds. Mr. Willis further stated that additional revisions may be made to the Bond Order as directed by the Attorney General's office;

(b) the Order Approving the Official Statement, explaining that relevant information from the sale of the Bonds will be included in the Official Statement prior to its printing. He further stated that the Official Statement will be provided by the Underwriter to prospective purchasers of the Bonds;

(c) the General Certificate, explaining that this Certificate provides a brief history of the District, including the supervisors and terms of office, information on previous bond sales, current tax rate, and the District's current assessed valuation;

(d) the Signature Identification and No-Litigation Certificate, explaining that said Certificate represents that there is no litigation pending against the District affecting the Bonds and that the signatures of the Vice President and Secretary are genuine;

(e) the Tax Exemption Certificate, explaining that this Certificate will be drafted and dated the day of closing on the sale of the Bonds. Mr. Willis further stated the Certificate states that, in addition to other facts, the District has met certain conditions pursuant to the Internal Revenue Code of 1986, which allows the Bonds to be qualified as tax exempt obligations;

(f) the Closing Certificate of President, explaining that Supervisor Medina, in the absence of Supervisor Hamilton, will execute this Certificate which states that (i) the District has complied with the terms and conditions of the Order Authorizing Issuance of the Bonds; (ii) there is no pending or threatened litigation which would affect the District and/or the issuance, sale, and delivery of the Bonds; (iii) the Order Authorizing the Issuance of the Bonds has not been amended without the Underwriter's approval; and (iv) there have been no adverse changes in the District's financial condition since December 31, 2020, the most current audited period;

(g) the Agreement with Zions Bancorporation, National Association, Amegy Bank Division, as Paying Agent/Registrar for the Bonds, explaining that this Agreement provides that all tax exempt municipal bonds are required to be fully registered with registry books maintained by a registrar on behalf of the District. The books reflect the names, addresses, and principal amounts of bonds registered in the name of the owner. Mr. Willis further explained that the Agreement sets forth the duties, responsibilities, and fees involved for maintaining this information and transferring to owners;

(h) the letter to the Attorney General for the State of Texas, explaining that the letter authorizes the dating of the General Certificate and the Signature Identification and No Litigation Certificate as of the date of the Approving Opinion for the Bonds; the letter to the Comptroller of Public Accounts which authorizes the Comptroller of Public Accounts to deliver the bonds to Sanford Kuhl Hagan Kugle Parker Kahn, LLP once they are approved by the Attorney General and registered; and the letter to Sanford Kuhl Hagan Kugle Parker Kahn, LLP which authorizes the dating of the General Certificate, the Signature Identification and No Litigation Certificate, and the Certificate as to Tax Exemption and provides that the District will immediately notify Sanford Kuhl Hagan Kugle Parker Kahn, LLP if any of the facts contained in those documents change prior to the date of closing and delivery of the bonds;

(i) the Rule 15c2-12 Certificate in connection with the issuance of the Bonds, explaining that the purpose of this Certificate is to enable the Underwriter for the Bonds to comply with the Securities Exchange Act of 1934 in connection with the offering and sale of the Bonds;

(j) the IRS Form 8038-G, explaining that this form provides information about the Bonds to the IRS for record keeping purposes; and

(k) other documents and certificates necessary to obtain approval of the Bonds by the Attorney General of Texas, explaining that once the Attorney General's office has received and reviewed the completed Transcript of Proceedings for the Bonds, it is likely it will request additional information and/or documents. Mr. Willis requested the Board's authority to prepare and have executed any requested documents or amendments to the existing documents.

Upon motion by Supervisor Vallejo, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to adopt and authorize execution of all of the foregoing documents.

Mr. Willis noted that the proposed date for closing on the Bonds is March 17, 2022.

3. BOOKKEEPER'S REPORT AND TAX ASSESSOR/COLLECTOR'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 the invoices discussed in more detail under the Engineer's Report.

B. Review Investment Report.

The Board reviewed the investment report.

C. Review Collateral Pledge Report.

The Board reviewed the Collateral Pledge report.

Ms. Grimes then presented the Tax Report, a copy of which is on file in the official records of the District.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Vallejo, the Board voted unanimously to authorize the payment of the checks and invoices listed therein, including Pay Estimate No. 10 from B-5 Construction Co. for \$217,016.82, and to approve (ii) the Bookkeeper's Report; and (iii) the Tax Assessor/Collector's Report.

4. ENGINEER'S REPORT

The Board recognized Mr. Dybala, who then presented the Engineer's Report, a copy of which is on file in the official records of the District, and is excerpted below:

(a) Report on status of projects:

i) Water Plant #2

- Project currently under construction – Contractor is currently working on installation of booster pumps and perimeter fence and site grading.
- Discuss with Board partial results of the final water quality analysis results.
- Request Board sign and approve blanket easement with Centerpoint for delivery of power to the water plant site, contingent upon approval by the District Consultants
- Request Board's approval of Pay Estimates No. 10 from B-5 Construction Co. for construction of the project for \$217,016.82.
- Anticipate construction being completed 3rd Q 2022 (timeline does not account for installation of additional water treatment system, if required)
- District Est. Water Conn. Timeline (FBCFWS#1 WP#1 Conn. Capacity = 1,875).
 - End of 2022 = 1,825

ii) Gateway Acres Subdivision Wastewater Collection System

- Currently working to secure the last two agency signatures (City of Houston and FBC Engineering) needed to advertise the project...anticipate next month to have all approvals

iii) Fresno Ranchos Subdivision Wastewater Lift Station and Force Main

- Currently in process of securing approval signatures on the final construction plans from review agencies needed for advertisement of project...anticipate next month to have

all approvals

iv) Gateway Acres Subdivision Wastewater Plumbing Contract

- First townhall meeting was conducted on January 27th for the Gateway Acres East section and 30 applications were secured...the next townhall meeting will be on February 24th for the Gateway Acres Central section (area between Alice St and Lissie St)...afterwards, there will be four remaining townhall meetings in March through June of this year
- Anticipate Gateway Acres Sub WW Collection System project being completed early 2023 and the plumbing contract being completed within 2023

(b) Authorize Engineer to Prepare Plans and Specifications for Water/Wastewater Projects

- no action items

(c) Report on status of project funding and take necessary action related thereto.

- Project One-Year Warranty Expiration Dates
- 2015 TWDB DFUND Loan...remaining funds will be used for the Water Plant No. 2 project
- 4th TWDB DFUND Loan (\$1.745M)...funds will be used to complete the Water Plant No. 2 project
- 2022 TCEQ Loan (\$10.45M) – funds from the loan are needed to fund the completion of a)

Gateway Acres

Sub WW Collection System project b) Fresno Ranchos Sub LS and FM project, and c) CoA

WWTP Expansion

project

- FBC CDBG Funds...will pursue funding source for future plumbing projects

(d) Projections for District Water and Wastewater Projects

- request Board approval to update information every January and July...planning to provide updated exhibits to Board and Consultants this week/next week

(e) Discuss Emergency Preparedness Plan and take any necessary action related thereto

- review EPP in April each year to determine if any updates are required

(f) Status of Non-Residential Applications for Water Service –

Connected:	
4320 Doreen Avenue (Multi-Family Dwelling)	Interconnect with FBCMUD23
293 Teakwood Avenue (Multi-Family Dwelling)	La Fresno Food Mart
297 Teakwood Avenue (Multi-Family Dwelling)	Lou’s Back Porch
Church of God of Prophecy	LT No Limits
Crossroad Market	Mustang Community Center
Dollar General	MVP Auto Parts (Domestic & FW)
Enriquez Tire Shop (East Palm)	New Quality Life Ministries (Church)
FBC Water Connection at Water Plant	New Quality Life Ministries (Restaurant)
First Baptist Church of Fresno (Domestic & FW)	Papa Nick’s BBQ Kitchen – Mobile Food Truck
Fresno Gym (3941 FM 521)	PMC International Tire Shop
Fresno Market – FM521 (Domestic & Irrigation)	Quality Paint and Body (Pecan Street)
Fresno Motor	Richard Martini-Rental Livestock Pasture
Fresno Mount Corinth Baptist Church	Robbins Nest for Children (Domestic & FW)
Fresno Volunteer Fire Department	St. James Kuanaya Church – Fire Tap
F&R Tax	St. Peters & St. Pauls Orthodox Church of Houston

General Office Space (514 Pecan Street)	Swingby#3 Gas Station (Domestic & Irrigation)
Gulf Coast LP Gas Company	Teleview Terrace Subdivision Lift Station
HEFCO Enterprises	Tiny Toes Academy
Iglesia Bautista Del Calvario Church	Tire Shop at 1739A Trammel Fresno
Iglesia Principe De Paz Church	Valero Gas Station
Interconnect with City of Arcola	Welcome Foods

Connections Pending:	

Processing Application:	
St. James Knanaya Church (Ave C) - in process of reviewing new information from customer with District Operator	
Fresno Food Mart (Trammel Fresno Rd) - waiting on all required docs to complete application (this is second application from customer as previous application had expired)...application submitted in April 2021	

Status of Non-Residential Applications for Wastewater Service –

Connected:	
4320 Doreen Avenue (Multi-Family Dwelling)	General Office Space (514 Pecan Street)
293 Teakwood Avenue (Multi-Family Dwelling)	Mustang Comm Center (minus field bathrooms)
297 Teakwood Avenue (Multi-Family Dwelling)	New Quality Life Ministries (Church)
Church of God of Prophecy	New Quality Life Ministries (Restaurant)
First Baptist Church of Fresno	Quality Paint and Body (Pecan Street)
Fresno Volunteer Fire Department	

Connections Pending:	

Processing Application:	

(g) Potential Emergency Water Interconnect with BCMUD21

- conducted phone conversation with LJA (Bill Ehler), engineer for BCMUD21, on December 2016 regarding potential emergency water interconnect between our districts
- possible location for interconnect would be at east end of Renfro Burford Road
- BCMUD21 would be interested in pursuing interconnect (50/50 cost split) once FBCFWSD#1 completes its 2nd Water Plant

(h) Status of New CoA WP – CoA anticipates their water plant being completed by 3rd Q 2022 ...once

completed, interconnect with CoA will become an emergency water interconnect and the District will owe funds to CoA, per the RFC, for taking back 500 connections worth of water service (plus 125 connections, per the temporary water service agreement)...if it is determined later that there will be a significant delay in the completion of the CoA WP, then the District may want to consider conducting an elevated storage tank waiver application with the TCEQ for additional water connections...need to consider all steps once they complete their WP (pay back CoA, take back 625 connections, discontinue water bills to CoA, close vault to make emergency interconnect, rework RFC into a standard emergency interconnect agreement and a waste disposal agreement)

(i) **Status of CoA WWTP Expansion Project (increasing capacity from 0.675 MGD to 0.95 MGD...the District would be receiving an additional 100,000 GPD of capacity through this expansion) –**

- Waiting for results from re-rate study, being performed by CoA, to determine if the RFC's gpd/connection value (currently at 350) can be reduced to 250 or less...if favorable results are not provided to the District by March 31, 2022, then the District's capacity at the WWTP would be equal to 350,000 gpd and the District would be able to provide wastewater service to 1,000 connections
- Also, CoA is contractually obligated to the District to complete the expansion of the WWTP from 0.675 MGD to 0.95 MGD on or before June 2024

(j) **Roadway Widening Projects Within District (which will require utility and service line relocations):**

- **South Post Oak Boulevard Widening Project (from W Sycamore to Trammel Fresno Rd):**

o **Scope** – Increased ROW width, with 2 lane road and additional lanes throughout sections, with roadside ditches

o **Schedule** –

- County is currently in process of clearing ROW and acquiring easements
- Road Design Phase – current to end of September 2021
- Utility Relocations – October 2021 to March 2022
- Road Construction – anticipated start April 2022

o **Estimated Cost** -

- Jacobs and EDP discussed recommended waterline relocations for road widening project...EDP to prepare and present costs to both the District and County for their approval and for cost sharing discussion
- Per communications from County, they will assist financially regarding the relocation of the utilities on a case-by-case basis...initially proposing to fund the relocation of the water mains while the District funds the relocation of the water service lines

- **FM521 Roadway Widening Project (North of SH6):**

o **Scope** – 4 lane, divided roadway with raised median, curb and gutter, with underground storm sewer lines, side swales, and sidewalk

o **Schedule** –

- 30% Utility Coordination meeting was conducted in November 2020
- 60% Utility Coordination meeting was conducted in September 2021
- 90% Utility Coordination meeting???...waiting for TxDOT to coordinate
- Anticipate 100% completed construction plans by May 2022
- Anticipate coordinating necessary water and wastewater utility relocations by mid-2022
- Anticipate roadway widening project to start construction in 2023

o **Estimated Cost**-

- In process of reviewing roadway construction plans to determine extent and cost of utility relocations

- **FM521 Roadway Widening Project (South of SH6):**

o **Scope** – 4 lane, divided roadway with raised median, curb and gutter, and side path...proposed detention pond along west side of CoA WWTP and new WWTP entrance roadway

- **Schedule –**
 - 30% Utility Coordination meeting was conducted in September 2021
 - 60% Utility Coordination meeting???...waiting for TxDOT to coordinate
 - Anticipate 100% completed construction plans by March 2022
 - Anticipate coordinating necessary wastewater forcemain relocations by mid-2022
 - Anticipate roadway widening project to start construction in 2023
- **Estimated Cost –**
 - Will begin efforts to determine extent and cost for utility relocations once roadway plans are further along (possibly include our relocation work in the roadway plans)
- **West Sycamore Road Widening Project:**
 - **Scope –** Proposed 100' ROW, with 4 lane, divided roadway with raised median, curb and gutter, with underground storm sewer lines, and sidewalk
 - **Schedule –**
 - Received 30% complete roadway plans
 - Requested from County overall project schedule and possibility of including utility relocation work within roadway plans...waiting for a response from County
 - **Estimated Cost –**
 - Requested from County if they would assist financially regarding the relocation of utilities...waiting for a response
 - Will begin efforts to determine extent and cost for utility relocations once roadway plans are further along
- **Evergreen Road Widening Project (California Rd to Mustang Bayou):**
 - **Scope –** Proposed 80' ROW, with 2-12' lanes, 6' shoulders, asphalt roadway, with roadside ditches
 - **Schedule –**
 - Working on 30% complete roadway plans...no overall schedule provided yet
 - **Estimated Cost –**
 - Will begin efforts to determine extent and cost for utility relocations once roadway plans are further along...will ask if utility relocations can be included in roadway plans and if FBC will assist financially
- **Evergreen Road Widening Project (Mustang Bayou to FM521):**
 - **Scope –** Proposed 80' ROW, with 2-12' lanes, 6' shoulders, asphalt roadway, with roadside ditches
 - **Schedule –**
 - Working on 30% complete roadway plans...no overall schedule provided yet
 - **Estimated Cost –**
 - Will begin efforts to determine extent and cost for utility relocations once roadway plans are further along...will ask if utility relocations can be included in roadway plans and if FBC will assist financially
- **Other Road Widening Projects Within District**
 - FBC Representative to provide updates at monthly meetings

Upon motion made by Supervisor Casher, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to approve (i) the Blanket Easement for CenterPoint Energy, subject to finalization; and (ii) the Engineer's Report, as presented.

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 11 residential taps and meters;

Mr. Downum then updated the Board on the following:

1. Booster Pump No. 1: Repairs to booster pump no. 1 are in process.
2. South Post Oak Road Widening: EDP was authorized at the January meeting to move forward with relocation of identified interferences along S. Post Oak Road. District representatives have a meeting pending with Commissioner Prestage for a cost sharing agreement.
3. FM 521 Road Widening: EDP is working with Jacobs to confirm and quantify potential interferences along FM 521.
4. W Sycamore Road Widening: EDP is working with Jacobs to confirm and quantify potential interferences along FM 521.

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 disconnection of service.

Upon a motion duly made by Supervisor Casher, seconded by Supervisor Vallejo, and after full discussion, the Board voted unanimously to approve the Operator's Report and repairs to the water and wastewater system and the termination list and account write-offs.

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 meetings held on December 17, 2021, January 20 and January 27, 2022 were presented for approval.

Upon motion duly made by Supervisor Vallejo, seconded by Supervisor Carreon, the Board voted unanimously to approve the minutes of the December 17, 2021, January 20 and January 27, 2022 minutes, as presented.

B. Regional Facilities Contract

Mr. Willis noted there was no action in connection with the Regional Facilities Contract.

C. Discuss Resolution Regarding Tax Exemptions

Mr. Willis next presented to and reviewed with the Board a proposed Resolution Concerning Tax Exemptions for 2022.

Upon motion by Supervisor Casher, seconded by Supervisor Carreon, the Board voted unanimously not to grant any tax exemptions for 2022 and to adopt the Resolution Concerning Tax Exemptions For 2022. A copy of said resolution is on file in the official records of the District.

D. 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 2021 real property taxes which are delinquent on July 1, 2022 and thereafter, (ii) authorize a 20% penalty on 2021 personal property taxes which are delinquent on April 1, 2022 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.

E. Adopt Order Calling Supervisors Election; Authorize Joint Election Agreement with Fort Bend County.

Mr. Willis next presented to and reviewed with the Board a proposed Order Calling Supervisors Election. He noted Supervisors Hamilton and Carreon are up for reelection in May. He then discussed the process and noted the District will enter into a Joint Election Agreement and Contract for Election Services with Fort Bend County to conduct the election on behalf of the District.

Upon motion by Supervisor Casher, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to adopt the Order Calling Supervisors Election, and to authorize the Joint Election Agreement with Fort Bend County. A copy of said Order is on file in the official records of the District.

F. Appoint Agent for Election Matters.

The Board then considered appointing an agent for election matters.

Upon motion duly made by Supervisor Carreon, seconded by Supervisor Casher, the Board voted unanimously to appoint SK Law as its agent for election matters.

7. REGIONAL PLANT COMMITTEE REPORT

The Board next recognized Mr. Willis, who in the absence of Supervisor Hamilton, 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.

8. HEAR FROM THE PUBLIC.

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

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 March 17, 2022.

Calvin Casher
Secretary

