

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

August 18, 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, August 18, 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, 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; Wendy Duncan, Bruce Dubiel and ElizaBeth Reeves with Environmental Development Partners ("EDP"), the District's Operator; David Smalling with Robert W. Baird & Co., Inc. ("Baird"), the District's Financial Advisor; members of the public, the names of whom are on file in the official public records of the District; 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 6:08 p.m. and the following business was transacted.

1. HEAR FROM PUBLIC (MATTERS ON THE AGENDA)

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

2. DISCUSS 2022 TAX LEVY AND CALL PUBLIC HEARING

The Board recognized Mr. Smalling and considered the Tax Rate Analysis prepared by Baird. After discussion with Mr. Smalling, the Board determined that the District is continuing to develop and should be classified under Section 49.23603, Texas Water Code. The Financial Advisor recommended a debt service tax rate of \$0.50 per \$100 of assessed valuation and an operation and maintenance tax rate of \$0.50 per \$100 of assessed valuation for a total tax rate of \$1.00 per \$100 of assessed valuation. Mr. Willis reminded the Board the process of setting the tax rate has two steps. The first step is to establish a proposed tax rate, call a public hearing on the proposed tax rate, and authorize publication of notice of the proposed tax rate and public hearing in a newspaper of general circulation in Fort Bend County. The second step is to conduct the public hearing and officially set the tax rate.

Upon a motion made by Supervisor Casher, seconded by Supervisor Carreon, and after full discussion, the Board voted unanimously to (1) establish its intent to set and levy for 2022 (i) a debt service tax rate in the amount of \$0.50 per \$100 of assessed valuation, and (ii) an operation and maintenance tax rate of \$0.50 per \$100 of assessed valuation, for a total tax rate of \$1.00 per \$100 of assessed valuation, (2) to call a public hearing on the proposed tax rate for Thursday, September 15, 2022, at 6:00 P.M. at the regular meeting place of the Board, and (3) to authorize publication of the proposed tax rate and public hearing.

At this time, Mr. Smalling left the meeting.

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. Ms. Grimes noted that the District's 2021 taxes are 91.46% collected as of July 31, 2022.

Upon motion duly made by Supervisor Carreon, seconded by Supervisor Medina, the Board voted unanimously (i) to approve the Bookkeeper's Report; (ii) to authorize the payment of the checks and invoices listed therein, including Pay Estimate No. 15 from B5 Construction Co., Inc. for \$185,530.90 and Invoice No. 17 from Terracon for \$489.25; and (iii) to approve 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

- Contract time for project expired on August 15, 2022...discuss with Board current status of construction and anticipated completion date per Contractor schedule...discuss with Board plan for Jacobs to continue providing construction administration and observation services after August
- Project currently under construction – Contractor currently working on access driveways, remaining concrete work, and electrical and instrumentation items
- Once the well pump and motor are installed, additional testing can be performed to determine if an additional water treatment system is necessary.

- Request Board's approval of Pay Estimate No. 15 from B5 Construction Co., Inc. for construction of the project for \$185,530.90.
 - Request Board's approval of Invoice No. 17 from Terracon for material testing services for \$489.25.
 - District Est. Water Conn. Timeline (FBCFWSD#1 WP#1 Conn. Capacity = 1,875).
 - End of 2022 = 1,825
- ii) Gateway Acres Subdivision Wastewater Collection System
- Bid opening took place on August 16th with 3 bids being received...see attached received bids list for project...recommend awarding project to Reddico Construction Co., Inc. for a total contract amount of \$5,521,632.00...anticipate contract documents and material testing proposal from Terracon to be ready for Board approval at September Board meeting...anticipate construction starting October of this year.
- iii) Fresno Ranchos Subdivision Wastewater Lift Station and Force Main
- Project is currently being advertised for bids...mandatory pre-bid meeting is scheduled for August 24th at 2pm...Bid opening is scheduled for September 13th at 2pm...anticipate having bid results and recommendation of award at September Board meeting
 - Discuss with Board additional funds needed to complete project (drainage design and study required by FBCDD)...anticipate presenting ASA at September meeting
- iv) Gateway Acres Subdivision Wastewater Plumbing Contract
- Final townhall meeting was conducted on June 30th for all Gateway Acres sections... a total of 197 applications have been secured for this project
 - Anticipate Gateway Acres Sub WW Collection System project being completed 2023 and the plumbing contract being completed 2023/2024

(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
- 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

(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 Knanaya 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:	
St. James Knanaya Church (Ave C) – District Operator to provide update regarding connection	

Processing Application:	
Fresno Food Mart (Trammel Fresno Rd) - application submitted in March 2021 (this is 2 nd application from customer)...per direction of Board at July 2022 Board meeting, if no further actions are made by customer to complete this application then this application is considered expired...as no new actions have been made, this application has been considered expired...the customer was made aware of this and informed that if they still want service they will need to start the application process again	
Kingdom Hall of Jehovah Witnesses (East Sycamore St.) - waiting on all required docs from customer to complete application	
Nena's Secret Cuts and Styles – Beauty Salon (Trammel Fresno Rd) - waiting on all required docs from customer to complete application	
E&J Auto Sales (Trammel Fresno Rd) - waiting on all required docs from customer to complete application	

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 (<i>minus field bathrooms</i>)
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:	
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Discussions with Nalco Water – Nalco Water is interested in the possibility of receiving District water service for potable, process, and fire water needs...they are currently reviewing their facility and preparing a proposed plan for a possible connection with the District’s system...they were informed that if they want to continue this matter with the District, they will need to submit an application, with fee, so further discussions can continue regarding this matter...District may want to re-evaluate its current water rates for industrial customers

(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 1st/2nd Q 2023...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 this number changes, the RFC will need to be updated and possibly coordination with the TCEQ will be required...if favorable results are not provided to the District by March 31, 2022, per the agreement, 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...Jacobs provided comments back to the CoA regarding their initial construction drawings and design report provided in April 2022

(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

- Utility Relocations – waiting on FBC for funding agreement
 - Road Construction – FBC to update
 - **Estimated Cost -**
 - Jacobs and EDP discussed recommended waterline relocations for road widening project...Per communications with FBC Commissioner, all relocation costs will be paid for by the County
- **FM521 Roadway Widening Project (North of SH6):**
 - **Scope** – 4 lane, divided roadway with raised median, curb and gutter, with underground storm sewer lines, side swales, and sidewalk
 - **Schedule** –
 - 30% Utility Coordination meeting was conducted in November 2020
 - 60% Utility Coordination meeting was conducted in September 2021
 - 90% Utility Coordination meeting scheduled for August 24, 2022
 - Anticipate 100% completed construction plans by October 2022
 - Anticipate coordinating necessary water and wastewater utility relocations by mid-2023
 - Anticipate roadway widening project to start construction in 2023...asked for an updated schedule
 - **Estimated Cost-**
 - Will begin efforts to determine extent and cost for utility relocations once roadway plans are further along...based on outcome of 90% coordination meeting, if informed that roadway plans will not change, efforts will be made to determine scope and cost for utility relocations
- **FM521 Roadway Widening Project (South of SH6):**
 - **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...including a proposed overpass at the BNSF RR crossing
 - **Schedule** –
 - 30% Utility Coordination meeting was conducted in September 2021
 - 60% Utility Coordination meeting was conducted in April 2022
 - Anticipate 100% completed construction plans by September 2022
 - Anticipate roadway widening project to start construction in 2024
 - **Estimated Cost** –
 - Will begin efforts to determine extent and cost for utility relocations once roadway plans are further along...coordinating with roadway team so our relocations can be included in their construction plans, which they would design and their contractor construct...assistance would be provided by Jacobs and the District Operator throughout this process...requested that an agreement be provided to the District for this arrangement...currently this relocation effort would need to be paid for by the District, but still investigating the possibility that FBC or TxDOT possibly assist us financially
- **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
 - Received 95% complete roadway plans for review on August 11, 2022...will review to determine necessary adjustments to District's

- utilities
 - Anticipate 100% complete roadway plans - TBD
 - Coordinating with roadway team to have utility relocations included within their construction plans so relocations can be done by their contractor
 - Anticipate roadway widening project to start construction - TBD
 - **Estimated Cost –**
 - Per communications with FBC Commissioner, all relocation costs will be paid for by the County
 - **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
 - Coordinating with roadway team to have utility relocations included within their construction plans so relocations can be done by their contractor
 - **Estimated Cost –**
 - Per communications with FBC Commissioner, all relocation costs will be paid for by the County
 - **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
 - Coordinating with roadway team to have utility relocations included within their construction plans so relocations can be done by their contractor
 - **Estimated Cost –**
 - Per communications with FBC Commissioner, all relocation costs will be paid for by the County
 - **Other Road Widening Projects Within District**
 - FBC Representative to provide updates at monthly meetings

Upon motion made by Supervisor Vallejo, seconded by Supervisor Casher, and after full discussion, the Board voted unanimously to (1) award the contract for the Gateway Acres Wastewater Collection System to Reddico Construction Co., Inc.; and (2) approve the Engineer's Report, as presented.

5. OPERATOR'S REPORT/TERMINATION OF SERVICE

Next the Board recognized Mr. Dubiel, 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. Dubiel reported substantial system repairs and maintenance as follows:

- Installed 6 residential taps and meters;
- Completed preventative maintenance at Water Plant No. 1 on the chlorine regulator;

Mr. Dubiel then updated the Board on the following:

1. Booster Pump No. 2: EDP was authorized to replace the booster pump and motor for the estimated cost of \$26,666.00. The new motor is installed. The pump is pending delivery.
2. Booster Pump No.3: EDP was authorized to replace the booster pump and motor for the estimated cost of \$25,000.00. The new motor is installed. The pump is pending delivery.
3. Booster Pump No. 4: The booster pump and motor will be removed for an evaluation once booster pump no. 2 and no. 3 are replaced.
4. Water Plant No. 1 Well Insurance Claim: EDP initiated an insurance claim on behalf of the District on April 19, 2022. This is complete and is pending release of the check from the insurance company.
5. South Post Oak Road Widening: No new updates this month.
6. FM 521 Road Widening: No new updates this month.
7. W Sycamore Road Widening: No new updates this month.
8. Evergreen Road Widening Project: No new updates this month.

B. Requests for Water Taps

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

C. Delinquent Water Accounts and Service Terminations

Mr. Dubiel 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 Medina, and after full discussion, the Board voted unanimously to approve the Operator's Report, the repairs to the water and wastewater system, and the 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 July 21, 2022, were presented for approval.

Upon motion duly made by Supervisor Casher, seconded by Supervisor Vallejo, the Board voted unanimously to approve the minutes of the July 21, 2022, meeting, as presented.

B. Regional Facilities Contract

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

C. Private Easement Policy/Amendment to Rate Order

Mr. Willis and Mr. Dybala then discussed with the Board matters related to private easements in the water system clean-up phase. In connection therewith, the Board discussed parameters for same, and considered an amendment to the Rate Order, setting a policy with the parameters discussed.

Mr. Willis noted the general policy is that the District will not place a tap in the road right-of-way unless the property receiving service from the tap has direct access to the right-of-way. The proposed amendment will provide limited circumstances where the District will deviate from this general policy.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Carreon, the Board voted unanimously to approve the amended Rate Order, detailing the private easement policy. A copy of the Rate Order is on file in the official records of the District, and is available on the District's website.

D. Resolution Regarding Annual Review of Investment Policy

Mr. Willis then presented to the Board a Resolution Regarding Annual Review of Investment Policy (the "Resolution"), and noted that no revisions to the Investment Policy were recommended at this time. Mr. Willis also stated that the Bookkeeper provided an updated list of brokers.

Upon motion duly made by Supervisor Medina, seconded by Supervisor Casher, the Board voted unanimously to approve the Resolution.

7. REGIONAL PLANT COMMITTEE REPORT

The Board next recognized Supervisor Hamilton, who presented the Regional Plant Committee Report.

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

8. HEAR FROM THE PUBLIC.

The Board then opened the meeting to comments from the public.

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 9/15/22.

Calvin Casher
Secretary

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