

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Order Adopting Fire Protection Plan

The Board of Directors (“Board”) of Fort Bend County Municipal Utility District No. 118 (“District”) met at the Board’s regular meeting place on October 13, 2015, with a quorum of directors present, as follows:

Jason Kirby, President
Alex Reid Garrett, Vice President
Roy Carley, Secretary
Dennis Rooney, Asst. Secretary

and the following absent:

None

when the following business was transacted:

The following Order Adopting Fire Protection Plan was introduced and considered by the Board. It was then moved, seconded and unanimously carried that the following order be adopted:

WHEREAS, Fort Bend County Municipal Utility District No. 118 of Fort Bend County, Texas (the “District”) is a conservation and reclamation district created pursuant to Article XVI, Section 59 of the Texas Constitution and operating under Sections 49 and 54 of the Texas Water Code for the purposes of providing water, sewer and drainage service within the District; and

WHEREAS, Section 49.351 of the Texas Water Code provides that districts which provide potable water or sewer service to household users may establish, operate and maintain a fire department to perform all fire fighting activities within their boundaries and may issue, with voter approval, bonds for financing the establishment of a fire department including the construction and purchase of necessary buildings, land, facilities, and equipment and that

they may enter into contracts with any person for the performance of fire fighting services; and

WHEREAS, Section 49.351(d) of the Texas Water Code provides that two or more districts may contract to operate a joint fire department for their districts and shall include in the contract a system for joint administration and operation of the fire department, the extent of services to be provided, a method for funding the department from funds of each district, and any other terms and conditions the parties consider necessary;

WHEREAS, the District will jointly fund the fire department with Pecan Grove Municipal Utility District which has received Texas Commission on Environmental Quality (“Commission”) approval for its plan; and

WHEREAS, the Board of Directors has carefully considered the matter and is of the opinion that the following Fire Protection Plan attached hereto should be adopted for funding of fire protection services within the District.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118 OF FORT BEND COUNTY, TEXAS, THAT:

The Fire Protection Plan attached hereto is hereby adopted.

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PASSED AND APPROVED this 13th day of October, 2015.

JASON KIRBY

President, Board of Directors
Fort Bend County Municipal Utility
District No. 118

ATTEST:

DENNIS ROONEY

Secretary, Board of Directors
Fort Bend County Municipal Utility
District No. 118

(SEAL)

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

FIRE PROTECTION PLAN

Introduction and General Information

The District currently receives fire protection services from Pecan Grove Voluntary Fire Department (the "VFD"), under an arrangement whereby the District makes a voluntary monthly payment to the VFD based on the number of residential units connected to and receiving water service from the District's water supply system. The Board of Directors of the District has determined that the VFD has provided an adequate level of fire protection services to the District in the past and that the VFD is currently in the best position to provide fire protection services within the District.

Section 49.351(d) of the Texas Water Code provides that two or more districts may contract to operate a joint fire department for their districts and shall include in the contract a system for joint administration and operation of the fire department, the extent of services to be provided, a method for funding the department from funds of each district, and any other terms and conditions the parties consider necessary.

The District will jointly fund the fire department with Pecan Grove Municipal Utility District which has received Texas Commission on Environmental Quality ("Commission") approval for its plan.

The District has notified the City of Houston of the intend to adopt the Fire Protection Plan.

The Board has entered into the Fire Protection Agreement (the "Agreement") with the VFD. The Agreement establishes a monthly fire protection charge to be paid by the District to the VFD in return for the VFD providing all fire protection services to the District.

The District currently has no plans to hire employees, purchase equipment, construct facilities, or take any other action which would require it to take an active role in the provision of fire protection services within the District. The Board requests that the District be given provisional approval to assume all fire protection related powers and functions which are permitted by the Texas Water Code and the Regulations of the Texas Commission on Environmental Quality (the "TCEQ") with the understanding that the District would submit all construction plans to the TCEQ for approval before beginning construction and that any proposed change in financing mechanisms would require TCEQ approval.

Section 1: Buildings and Facilities (30 TAC §293.123(6)(A).

The District currently has no plans to construct any buildings or facilities for use in providing fire protection services to its residents. However, such construction may be necessary in the future. Recognizing this, the Board requests that the District be granted the power to build fire protection facilities. The Board acknowledges that the District must comply with the requirements of 30 TAC 293.123 before constructing any fire protection related buildings or facilities.

Section 2: The Water System (30 TAC §293.123(6)(B).

The District currently owns and operates water distribution facilities and water and sanitary sewer collection facilities, including all related lift stations, lines, valves, and related devices for the District.

District Facilities are as follows:
Water Plant (4506 Farmer Road)
Lift Station (4602 Farmer Road)
Lift Station (520 ½ Waterside Est. Cir.)
Remote Well No. 2 (3900 ½ Farmer Rd.)
Wastewater Treatment Plant (1427 Brady Circle)

The District has an Emergency Water Supply Contract dated May 1, 2006, with Fort Bend County Municipal Utility District No. 143, Grand Mission Municipal Utility District No. 1, Grand Mission Municipal Utility District No. 2 and Fort Bend County Municipal Utility District No. 165 which provides for each party to provide to the other water services when an emergency exists in one district causing a partial or total failure of that District's water supply. The contract provides for billing and payment by the District receiving water through the interconnect at a rate of \$1.00 per thousand gallons. The contract will remain in effect until May 1, 2046.

The District is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in areas within the Subsidence District's jurisdiction.

The District is also within the boundaries of the Fort Bend County Regional Water Authority ("Authority") to, among other things, reduce groundwater usage in, and to provide surface water to the Fort Bend County region (including the District). The Authority has

developed a groundwater education plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets for the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The District is included within the Authority's GRP.

Section 3: Equipment (30 TAC §293.123(6)(C)).

Pursuant to the terms of the Agreement, the VFD will provide all necessary fire protection equipment and supplies to provide fire protection services to the District. The District will not be responsible in any way for the type or quality of protection equipment and supplies used by the VFD.

The VFD currently owns the following major equipment:

- 4 Pumpers (trucks that carry the hose and water)
- A Booster truck
- A four wheel drive truck (to fight fires off road)
- 2 Squad trucks (carry medical supplies and small tools for use in emergency)
- 2 Command vehicles
- A Hazmat decontamination trailer
- 2 Rescue Tools (Jaws of Life)
- Numerous ladders of varying length
- 6,000 feet of firefighting hose
- 60 complete sets of structure firefighting gear
- 81 radios (including mobile and handheld units for communication)
- 21 Self-contained breathing apparatuses (for firefighters working in dangerous to life and health environments)

(The VFD's 2015 budget is attached as **Exhibit "A"** detailing the costs for all fire protection equipment and supplies.)

The District currently has no plans to purchase any fire protection equipment or supplies. However, the authority to provide such equipment and supplies may be required in the future. Recognizing this, the Board requests that the District be granted the power to purchase fire protection equipment or supplies for the provision of fire protection services to its residents. The Board acknowledges that the District must comply with the requirements of 30 TAC 293.123 before purchasing any fire protection equipment or supplies.

Section 4: Employees (30 TAC §293.123(6)(D)).

The VFD currently has a full time Chief, a full time office manager/bookkeeper, 2 full time fire fighters serving as duty crew and 37 volunteers available to provide fire protection

service to the District. (The VFD's 2015 budget is attached as **Exhibit "A"** detailing the Department's payroll expenses.)

The District currently has no plans to hire personnel in connection with the provision of fire protection services to its residents. However, the hiring of such personnel may be required in the future. Recognizing this, the Board will request that the District be granted the power to hire personnel in connection with the provision of fire protection services to its residents. The Board acknowledges that the District must comply with the requirements of 30 TAC 293.123 before hiring any fire protection personnel.

Section 5: Contract Adopted by District (30 TAC §293.123(6)(E)).

The Board has entered into the Fire Protection Agreement (the "Agreement") with the VFD. A copy of the Agreement is attached as **Exhibit "B"** to this plan. The Agreement establishes a monthly fire protection charge to be paid by the District to the VFD in return for the VFD providing all fire protection services to the District.

Section 6: Structures and Facilities Requiring Fire Protection (30 TAC §293.123(6)(F)).

The District is primarily composed of single-family homes, commercial, retail and community facilities. The District currently services approximately 1,296 single family connections and 1,378 total connections.

Section 7: Summary of Costs Protection (30 TAC §293.123(6)(G)).

The District will continue to pay \$11.00 per month to the VFD to cover all capital and operational expenses incurred in the provision of fire protection services. This amount will be adjusted annually based upon the needs of the District and the VFD, and any such adjustment shall be subject to the Board of Directors' approval. The District proposes to raise the revenue to make these payments by a monthly fee assessed on customers' water and sewer bills.

A projection of revenues and expenses is not included as the District does not intend to fund any portion of the fire plan with bond funds. The District budget is attached as **Exhibit "C."**

This plan does not require the District to sustain a fire department, and no evidence is provided that states that the District can financially sustain the operation and maintenance costs of a fire department as required by 30 TAC §293.123(7)(F). The Agreement only obligates the District to pay the Department a mandatory monthly fee for fire protection services. The VFD will be responsible for the operation and maintenance of all fire protection

facilities and equipment.

Section 8. Existing Fire Protection and Fire Fighting Services (30 TAC §293.(8)).

The Pecan Grove Fire Volunteer Department (“VFD”) has standing agreements of “Mutual Aid” through the county, region and state. The agreements are formed on the presuppose that each agency will deploy available resources to assist other emergency responders in the time of need. These agreements are organized through the respective counties of the organizations.

The VFD maintains mutual aid agreements with the below noted local service organizations:

<u>Fire Service Organization</u>	<u>Estimated Miles</u>
Rosenberg FD	7.3 miles
Sugar Land FD	10.3 miles
Missouri City FD	15.1 miles
Fulshear VFD	14.3 miles

The VFD may request resources from the above fire service organizations which are deployed as available. Upon a request for assistance from these fire service organizations, the VFD will respond with a deployment that is diagramed based on the type of incident.

The VFD also maintains agreements of mutual aid with the City of Houston. The City of Houston maintains 31 fire stations within a 25 mile radius of the District. The addresses for several fire stations in the vicinity of the VFD are listed in the attached **Exhibit “D.”** A map showing the locations of these fire stations (and a 25 mile buffer) is attached **Exhibit “E.”**

**Exhibit A - Pecan Grove Volunteer Fire Department
Budget**

2015 PGVFD Budget

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
6560 Payroll Expenses													
6563 Firefighters @ \$13.50/hr	\$39,420	\$39,420	\$39,420	\$39,420	\$39,420	\$39,420	\$39,420	\$39,420	\$39,420	\$39,420	\$39,420	\$39,420	\$473,040
6564 Chief	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
6565 Business Manager	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
6570 Payroll tax	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$36,840
6572 TEC Report	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500
6581 Work Comp	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$10,200
6200 Apparatus													
6210 Insurance	\$738	\$738	\$738	\$738	\$738	\$738	\$738	\$738	\$738	\$738	\$738	\$738	\$8,856
6230 Maintenance/Fuel/Repair	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$43,200
6280 Inspection/Testing	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$104	\$1,248
6300 Building													
6320 Insurance	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$8,676
6307 Furniture/Fixtures	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
6330 Maintenance/Equipment	\$492	\$492	\$492	\$492	\$492	\$492	\$492	\$492	\$492	\$492	\$492	\$492	\$5,904
6340 Utilities	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
6400 Communications													
6410 Computers/Software	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$4,560
6210 Replacement Accrual	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
6430 Internet	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
6440 Radios Dispatch/Repair	\$584	\$584	\$584	\$584	\$584	\$584	\$584	\$584	\$584	\$584	\$584	\$584	\$7,008
6440 Radio Replacement	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800
6450 Telephone	\$278	\$278	\$278	\$278	\$278	\$278	\$278	\$278	\$278	\$278	\$278	\$278	\$3,336
6600 Emergency Medical Services													
6620 Equipment E-61, E-62	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$1,008
6648 Testing	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$504
6661 Hazardous Waste Disposal	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$26	\$312
6660 Professional Services	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
6670 Supplies/Parts	\$188	\$188	\$188	\$188	\$188	\$188	\$188	\$188	\$188	\$188	\$188	\$188	\$2,256
6800 Fire Fighting Services													
6816 Equipment Misc Disposable	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500
6820 Equipment Repair	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$2,604
6840 Equipment Testing	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
6851 Bunker Gear (Fluor Grant)	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$75,000
6851 Bunker Gear Replacement	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$9,600
6882 Training	\$254	\$254	\$254	\$254	\$254	\$254	\$254	\$254	\$254	\$254	\$254	\$254	\$3,048
6900 Fundraising Expense													
6980 Uniforms	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$1,848
6900 Fundraising Event Expense	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$14,700
6950 Public Relations	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$4,056
6953 Firefighter Reimbursement	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
6000 Administration Expenses													
6001 - 6 Office and Professional	\$721	\$721	\$721	\$721	\$721	\$721	\$721	\$721	\$721	\$721	\$721	\$721	\$8,652
6010 Financial/Banking	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$252
6015 Loans/Truck, Land, Building	\$4,717	\$4,717	\$4,717	\$4,717	\$4,717	\$4,717	\$4,717	\$4,717	\$4,717	\$4,717	\$4,717	\$4,717	\$56,604
6050 Management Liability Insurance	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
6010 Emergency Fund	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Total	\$74,476	\$74,476	\$74,476	\$74,476	\$74,476	\$74,476	\$74,476	\$74,476	\$74,476	\$74,476	\$74,476	\$74,476	\$893,712

Exhibit B

2015 PGVFD Budget

4000 MUD Collections

4001 Pecan Grove 5399 x \$10/mo	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$53,990	\$647,880
4002 Waterside 1386 x \$10/mo	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$13,860	\$166,320
4200 Reimbursement County	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$114,000
4103 Fluor Grant	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$75,000
4700 Service Agreement	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$10,500

\$1,013,700

4001 Pecan Grove 5399 x \$9/mo	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$48,591	\$583,092
4002 Waterside 1386 x \$9/mo	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$12,474	\$149,688
4200 Reimbursement County	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$114,000
4103 Fluor Grant	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$75,000
4700 Service Agreement	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$875	\$10,500

\$932,280

Exhibit B – Fire Protection Agreement

FIRE PROTECTION AGREEMENT
By and Between Pecan Grove Volunteer Fire Department
and Fort Bend County MUD No. 118

This Fire Protection Agreement (the "Agreement") is entered into this 14th day of September, 2015 by and between Pecan Grove Volunteer Fire Department (the "VFD"), a Texas nonprofit corporation currently recognized by the Internal Revenue Service as exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended, by reason of being described in Code Section 501(c)(3), and Fort Bend County Municipal Utility District No. 118 (the "District"), a conservation and reclamation district created pursuant to Article XVI, Section 59 of the Texas Constitution and operating pursuant to Chapters 49 and 54 of the Texas Water Code.

RECITALS

The District is located within the extraterritorial jurisdiction of the City of Houston, Texas ("Houston"), but outside its corporate limits. The District includes the subdivisions known as Waterside Estates and Waterside Village (collectively referred to herein as "Waterside"). Waterside receives fire protection services from the VFD and pays voluntary contributions to the VFD. The District desires to contract with the VFD in order to continue to receive fire protection services for Waterside.

The Board of Directors of the District has determined that the VFD can provide reliable and prompt Fire Protection Services to customers within the District located in the Waterside. The Board of Directors believes it is in its best interest of the District to obtain a binding contractual agreement with the VFD for fire protection pursuant to Section 49.351(e) of the Texas Water Code.

The District intends to request the approval by the Texas Commission on Environmental Quality ("TCEQ") of a Fire Plan based on this Agreement and following such approval submit to the District's voters for approval of the Fire Plan and the Agreement.

NOW, THEREFORE, the District and the VFD hereby covenant and agree as follows:

Section 1. Definitions. Unless the context indicates otherwise, the following words and phrases used in this Agreement shall have the meanings ascribed thereto:

"District" means Fort Bend County MUD No. 118.

"Effective Date" means the day the District canvasses election returns which result in an election which passes to approve the Fire Plan. If a Fire Plan election does not pass, this Agreement will automatically terminate with no further obligations on either Party.

"Equivalent Single-Family Connection" or "ESFC" means a single family home or a single apartment unit, or for commercial non-residential accounts means an amount of water capacity used by such user converted into ESFCs by the District.

"Fire Plan" means the fire plan submitted by the District to the TCEQ to approve a mandatory Fire Protection Services Fee and the agreement for Fire Protection Services.

"Fire Protection Services" means fire suppression, protection and rescue, and Medical First Responder services provided by the VFD to persons and property, and may include EMS or ambulance transport services.

"VFD Service Area" means the area described above and as shown on the attached map as Exhibit "A".

"TCEQ" means the Texas Commission on Environmental Quality.

"VFD" means Pecan Grove Volunteer Fire Department.

Section 2. Fire Protection Services.

(a) The Parties acknowledge that the VFD has been providing Fire Protection Services to Waterside. During the term of this Agreement, the VFD will provide Fire Protection Services in the District to persons, buildings, and property located within the VFD Service Area. The VFD will provide Fire Protection Services to the District in the same manner and with the same standard of care.

(b) In providing Fire Protection Services to the District, the VFD will follow its adopted standard operating procedures, subject to its right and discretion, without being in breach of this Agreement and without liability to the District or its occupants or customers, to determine:

- (1) whether Fire Protection Services are needed in a particular case;
- (2) whether and when personnel or equipment are available to respond to a request for Fire Protection Services;
- (3) the order in which to respond to requests for Fire Protection Services; and
- (4) the time in which to respond to a request for Fire Protection Services.

(c) The District assumes no responsibility for the reliability, promptness, or response time of the VFD. The District's sole obligation for provision of Fire Protection Services to its customers is to make monthly payments as described below.

(d) The VFD agrees that during the term of this Agreement, it will conduct an annual audit of its books and records by a competent, independent, third party Certified Public Accountant. Any irregularities or management letter recommendations shall be promptly addressed by the VFD and failure to do so shall entitle the District to terminate this Agreement. The VFD shall provide a copy of the annual audit, including the opinion and management letters, to the District within thirty (30) days following approval. After review of the VFD's audit, the District has the right to hire, at its sole expense, another independent third party Certified Public Accountant to conduct an audit of the VFD. In such event, the VFD shall cooperate with the District and its Certified Public Accountant and shall timely provide records as requested by the District's auditor.

Section 3. Facilities and Equipment.

(a) As of the date of this Agreement, the VFD has two (2) existing fire stations. The VFD currently owns four (4) pumpers (engines that carry the water hoses), one (1) booster truck, two (2) squad trucks, two (2) command vehicles, and other necessary equipment for the operation of its stations and trucks. In providing Fire Protection Services to the District, the VFD shall be solely responsible for the operation and maintenance of its facilities and equipment.

(b) This Agreement shall not obligate the VFD to construct or keep any fire stations, fire trucks, fire equipment or fire personnel within the District or to designate, reserve, or devote all or part of the VFD's Fire Department's trucks, equipment, or personnel exclusively to or for the use of the District in carrying out this Agreement, but the VFD will use its best efforts to comply with State standards regarding fire suppression equipment.

(c) The parties acknowledge that in conducting fire suppression efforts on property located in the District, the VFD will use the fire hydrants, connections, and water supply and distribution systems (the "water distribution system"), and water supply available in the District, but the VFD shall not be responsible for providing for, constructing, inspecting, maintaining, or repairing any part of the water distribution system in the District and the VFD shall not be liable to the District or any District customer for any deficiency or malfunction of the water distribution system located in the District.

(d) The District makes no representations and assumes no responsibility for the type, quality, sufficiency or qualifications of the VFD's Fire Protection Service equipment used to serve the District.

Section 4. Employees and Staffing. The VFD shall provide employees and determine the number and kind of employees in order to meet minimum state qualifications to perform the Fire Protection Services required by this Agreement. The District assumes no responsibility for the actions of the VFD's employees in performing their fire protection duties. The District will make no recommendations and is in no way responsible for the sufficiency or qualifications of the VFD's employees. The VFD's fire stations shall be staffed consistent with State standards to maintain an ISO rating of at least 3 for the area within the District. Failure to maintain such rating shall constitute a default of VFD's duties under this Agreement.

Section 5. Payment for Fire Protection Services.

(a) In general, the District will make monthly payments to the VFD as set forth herein. In consideration of the VFD providing Fire Protection Services, the District agrees to make monthly payments ("Monthly Payments") to the VFD as follows: The District shall pay to the VFD a monthly charge of \$11.00 for each residential ESFC in the District.

(b) The Monthly Payments shall commence within sixty days after the Effective Date, and will remain effective until September 30, 2016, or the first September 30 following approval of the Fire Plan by the District voters, whichever comes later. The monthly fee shall be due by the last day of each month. The District shall deduct from each monthly payment to the VFD the amount of \$300 which shall cover the administrative cost incurred by the District for the services incurred by the District to collect the fee. All monthly payments shall be paid by the

District to the VFD without notice or demand at the offices of the VFD located at 727 Pitts Road, Richmond, Texas, 77406 unless the District is notified otherwise. The monthly fire protection customer fee and the \$300 administrative services fee may be adjusted annually in accordance with this Agreement.

(c) The parties acknowledge that this is a mandatory monthly fee imposed on District customers pursuant to the Fire Plan voted on by the registered voters of the District. The District assumes no responsibility or liability to the VFD or to any District customer as to whether customers are able to deduct the mandatory fee payment to the District from their federal income taxes. The VFD understands and expressly agrees that substantiation of any charitable contribution for federal income tax purposes is entirely the responsibility of the VFD and the District has no responsibility or liability whatsoever there for to the VFD or to any customers. The VFD further understands that the District, as a political subdivision of the State of Texas, even though the District is collecting the approved voted mandatory monthly fee and is making payment to the VFD, the District is not under any circumstances serving as a fiduciary for or to the VFD.

(d) On or before June 30 of each year during the term of this Agreement, the VFD shall prepare a detailed budget to take effect November 1. All revenues received by the VFD shall be budget line items, and the expenses shall include reasonable replacement reserves for fleet and facilities. During July, representatives of the VFD and the District shall meet to discuss the proposed budget and adjust accordingly. Such representatives shall submit for review by the District the budget. The budget shall establish a Fire Protection Services Fee for the next year. The formula for establishing the yearly Fire Protection Services Fee shall be: total expenses in the approved VFD budget divided by the number of ESFCs served by the VFD. At the District's budget workshop the District will review the VFD budget and proposed Fire Protection Services Fee. The VFD shall make every reasonable effort to prevent the annual increase from exceeding the prior year's CPI for the Houston Urban Area percentage increase. If, in any year, the District does not approve the VFD budget, the District shall continue to collect the then-established Fire Protection Services Fee until this Agreement is otherwise terminated. In such event, representatives of the parties shall continue to meet and attempt to re-submit an acceptable budget. The preceding text of this paragraph notwithstanding, the parties agree that the Fire Protection Services Fee paid by District residents served by VFD shall be equal to that paid by residents of Pecan Grove Municipal Utility District.

Section 6. Fire Plan. The parties recognize that before this Agreement becomes effective, the District must develop a fire plan in accordance with Section 49.351, Texas Water Code, and the rules of the TCEQ, submit the plan to the TCEQ for its approval, call an election in the District and obtain voter approval of the plan. The District will use its best efforts to timely develop and obtain TCEQ approval and call an election for voter approval of a fire plan in accordance with the terms of this Agreement.

Section 7. Term and Termination. This Agreement will be in full force and effect upon the Effective Date. Once effective, the Agreement will continue in effect for fifteen (15) years (the "Initial Term") and shall be automatically renewed thereafter for successive one-year terms; provided, however, notwithstanding anything contrary in this Agreement, either party may terminate this Agreement by giving written notice to the other of at least ninety (90) days.

Further, the District may terminate this Agreement as specifically provided for herein, and the VFD may terminate this Agreement if the District fails to pay the monthly fees due herein. This Agreement shall terminate immediately in the event the District is annexed and dissolved by Houston.

Section 8. Default. Either party may declare a default hereunder if either party fails, refuses, or neglects to comply with any of the terms of this Agreement. If a party declares a default of this Agreement, this Agreement shall terminate after notice and opportunity to cure as provided for herein. The party declaring a default shall notify the other party of any default in writing in the manner prescribed herein. The notice shall specify the basis for the declaration of default, and the party shall have thirty days from the receipt of such notice to cure any default (except when curing the default requires activity over a period of time in excess of 30 days, performance shall commence within 30 days after the receipt of notice, and such performance shall be diligently continued until the default is cured). At the end of such 30 day cure period, if the District, in its sole discretion, determines the default is not cured, the District shall give the VFD notice of immediate termination. The District may, in its sole discretion, extend the cure period.

Section 9. Notice. All notices shall be in writing and given by certified mail with return receipt requested, with receipt as of the date of the signed receipt. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purpose of notice, the addresses of the parties shall, unless changed as hereinafter provided, be as follows:

If to the VFD: 727 Pitts Road
 Richmond, Texas 77406
 Attn: Fire Chief

If to the District: Fort Bend County MUD 118
 c/o Smith Murdaugh Little & Bonham, LLP
 2727 Allen Parkway, Suite 1100
 Houston, TX 77002-5211

The parties shall have the right to change their respective addresses and each shall have the right to specify their respective new addresses by at least fifteen (15) days written notice to the other party.

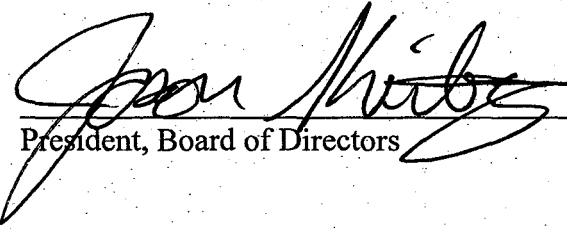
Section 10. No Additional Waiver Implied. No waiver or waivers of any breach or default or any breaches or defaults by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances. The VFD and the District specifically reserve all defenses, immunities and privileges accorded by law.

Section 11. Modification. This Agreement shall be subject to change or modification only with the written mutual consent of the parties hereto.

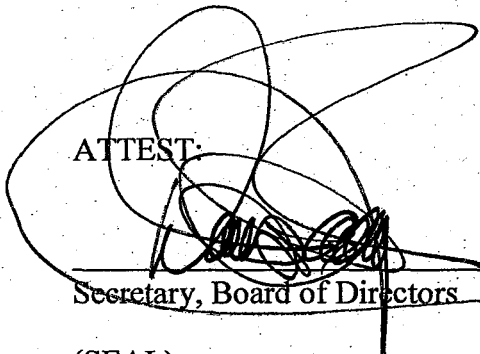
Section 12. Agreement Not for Benefit of Third Parties. This Agreement is not intended to benefit any party other than the parties to this Agreement or to impose any duty upon the VFD or the District toward any person or entity not a party hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement in multiple copies, each of which shall be deemed an original as of the date and year first written above, to be effective as of the date specified herein.

FORT BEND COUNTY MUD NO. 118



President, Board of Directors

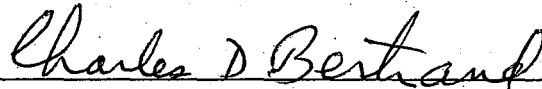
ATTEST:


Secretary, Board of Directors

(SEAL)

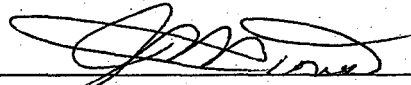


PECAN GROVE VOLUNTEER FIRE
DEPARTMENT



Charles D. Bertrand, President

ATTEST:

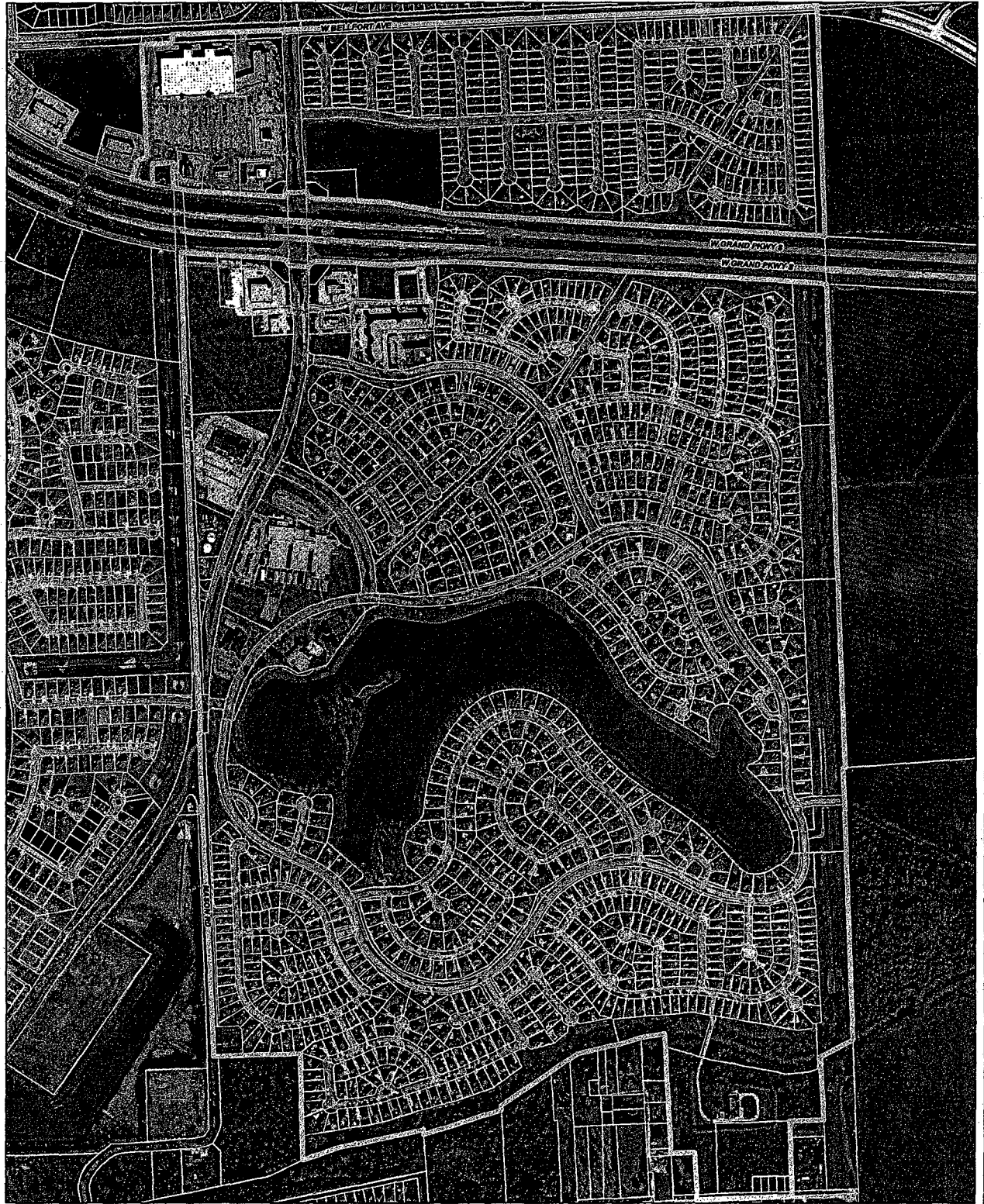


James Hines, Secretary

Exhibit A – VFD Service Area

Exhibit A

VOLUNTEER FIRE DEPARTMENT SERVICE AREA



1 inch equals 600 feet

Aerial Imagery flown 01/2014

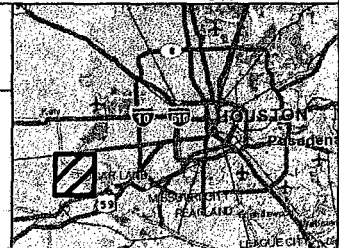
Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



F.B.C.M.U.D. No. 118
FORT BEND COUNTY, TEXAS

LEGEND

- District Boundary
- FBCAD Parcels



VICINITY MAP
Scale: 1 inch equals 5 miles



JONES | CARTER

Texas Board of Professional Engineers Registration No. F-439

**Exhibit C – Fort Bend County Municipal Utility District
No. 118 Budget**

FORT BEND COUNTY MUD #118
Adopted Budget for Fiscal Year Ending Dec 31st, 2015

	FYE 12/31/14		FYE 12/31/15	
Revenue :	Annual Budget	Actual YTD	Projected @12	Annual Budget
Water Revenue	486,000	395,890	431,881	432,000
Sewer Revenue	520,000	465,757	508,098	508,000
Penalties/Interest	30,500	24,434	26,655	28,000
Tap Connections	0	36,400	36,400	0
Inspections	5,000	6,990	6,990	4,200
Maintenance Tax	261,710	87,830	87,830	273,000
SPA Income	115,000	115,160	125,629	130,000
North Fort Bend RWA	380,000	347,417	379,000	382,000
Interest Earned	10,000	6,906	7,533	6,000
	1,808,210	1,486,783	1,610,016	1,763,200
Expenses :	Annual Budget	Actual YTD	Actual YTD	Annual Budget
MS4 Permit	10,000	9,986	10,894	10,000
MS4 Post issuance exp	15,000	11,683	12,745	15,000
Tap Fee expense	1,500	28,810	31,429	1,500 opr
Inspection Fees	5,000	4,172	4,551	5,000 opr
Director Fees	14,000	11,700	12,764	14,000
Payroll Tax	1,000	895	976	1,000
Legal Fees	50,000	55,642	60,701	50,000
Audit	18,000	17,500	17,500	18,000
Engineering	40,000	32,683	35,654	40,000 eng
WWTP Permit Renewal	10,000	3,467	3,782	10,000 eng
Lab Expenses	24,000	14,457	15,771	18,000 opr
Permit Fees	15,000	8,807	9,608	15,000
Operator Fees	90,000	77,760	84,829	90,000 opr
Bookkeeping	15,000	16,510	18,011	20,000
R&M Water Dist	52,000	112,492	122,718	100,000 opr
R&M San Sewer	15,000	17,687	19,295	15,000 opr
R&M Lift Station	16,500	62,451	68,128	25,000 opr
R&M Water Well	32,500	30,389	33,151	35,000 opr
R&M Storm Drainage	10,000	283	309	2,000 opr
R&M STP	35,000	48,395	52,795	40,000 opr
R&M Mowing (Seaback)	20,000	23,962	26,140	25,000
Sludge Haul	40,000	35,490	38,716	38,000 opr
R&M Mowing (Champions)	55,000	42,575	46,445	55,000
Chemicals	47,000	30,340	33,098	35,000 opr
Office Exp	23,000	15,530	16,942	18,000
Utilities	110,000	101,467	110,691	112,000
Insurance	25,750	15,633	17,054	16,000
Travel	10,000	13,112	14,304	15,000
North Fort Bend RWA	486,000	484,301	528,328	530,000 opr
TCEQ Assessment	4,000	0	0	4,000
Det Pond Maint (Nunez)	48,000	58,837	64,186	50,000
Garbage	280,000	194,133	211,782	212,000
SPA Expense	7,500	3,114	3,398	7,500
Misc	10,000	28,062	28,637	10,000
Streetlight Expense	95,000	79,056	86,243	95,000
	1,730,750	1,691,380	1,841,574	1,747,000
	77,460	-204,596	-231,558	16,200

Exhibit D – Addresses of Nearby Fire Stations

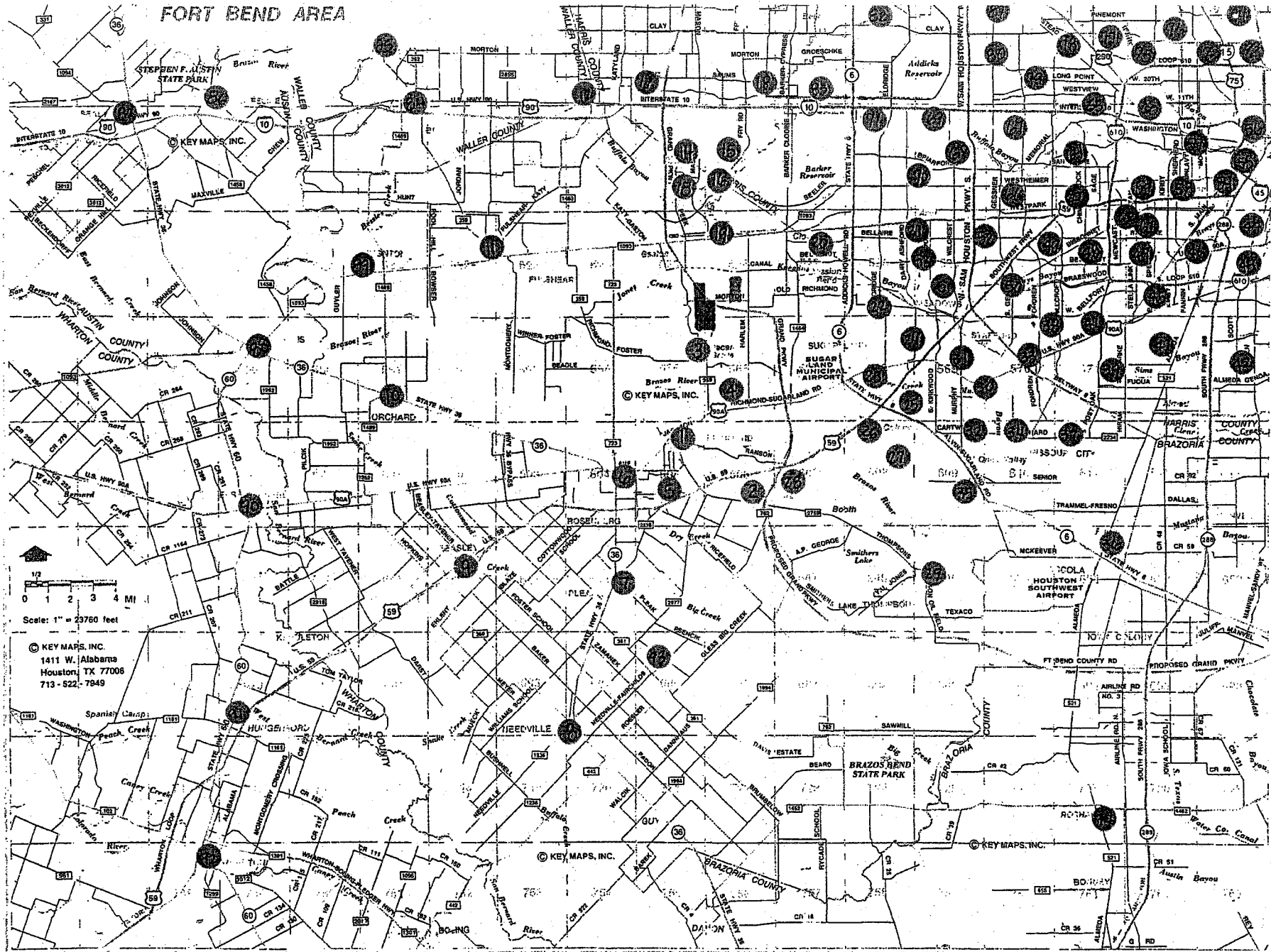
#	Department Name	Address of Station	City
1	Richmond Station 1	112 Jackson St.	Richmond
2	Richmond Station 2	201 Payne Ln. Rear	Richmond
3	Richmond Station 3	3400 Blk Farmer Rd.	Richmond
4	Pecan Grove	727 Pitts Rd.	Richmond
5	Rosenberg Station 2	5320 Reading Rd.	Rosenberg
6	Rosenberg Station 1	1021 4 th St.	Rosenberg
7	Pleak	6621 FM 2218	Richmond
8	Needville	3321 Richmond	Needville
9	Beasley	214 S 3 rd St.	Beasley
10	Orchard	9826 Galveston	Orchard
11	Fulshear	30626 5 th St.	Fulshear
12	Katy	1417 Ave D	Katy
13	Willowfork	4021 So. Mason Rd.	Katy
14	West I-10 Station 1	22125 Kingsland Blvd	Katy
15	West I-10 Station 2	810 Doninion	Katy
16	West I-10 Station 3	1173 Westgreen Blvd	Katy
17	West I-10 Station 4	22855 Frantz Rd.	Katy
18	Westlake	19703 Saums Rd.	Katy
19	Community Station 3	20304 FM 1093	Richmond
20	Community Station 1	15100 Alief Clodine	Houston
21	Community Station 2	4101 C Ave	Alief
22	Northeast Ft. Bend County	14007 Old Richmond Rd.	Sugar Land
23	Sugar Land Station 1	255 Guenther	Sugar Land
24	Sugar Land Station 2	1040 Industrial	Sugar Land
25	Sugar Land Station 3	2255 Settlersway	Sugar Land
26	Sugar Land Station 4	2100 Austin Pkwy	Sugar Land
27	Sugar Land Station 5	5735 Commonwealth	Sugar Land
28	Sugar Land Station 6	6625 Sansbury	Sugar Land
29	Thompsons	134 Thompsons Oil Field Rd.	Thompsons
30	Stafford Station 1	2610 So Main	Stafford
31	Stafford Station 2	10210 Mula Rd.	Stafford
32	Missouri City Station 1	3849 Cartwright Rd.	Missouri City
33	Missouri City Station 2	12043 McClain	Missouri City
34	Missouri City Station 3	2496 Texas Pkwy	Missouri City
35	Missouri City Station 4	5959 Sienna Pkwy	Missouri City
36	Fresno	4525 FM 521	Fresno
37	Houston Station 80	16111 Chimney Rock	Houston
38	Houston Station 82	11250 Braesridge	Houston
39	Houston Station 59	13925 So Post Oak	Houston
40	Houston Station 48	11616 Chimney Rock	Houston
41	Houston Station 47	2615 Tidewater	Houston
42	Houston Station 55	11212 Cullen	Houston
43	Houston Station 46	3902 Corder	Houston
44	Houston Station 25	3902 Scott	Houston

45	Houston Station 21	10515 So Main	Houston
46	Houston Station 33	7100 Fannin	Houston
47	Houston Station 37	3828 Aberdeen Way	Houston
48	Bellaire	5101 Jassamine	Bellaire
49	Houston Station 51	6902 Bellaire	Houston
50	Houston Station 68	8602 Bissonet	Houston
51	Houston Station 73	9640 Wilcrest	Houston
52	Houston Station 10	6600 Corporate	Houston
53	Houston Station 76	7100 Cook	Houston
54	Houston Station 7	1402 Elgin	Houston
55	Houston Station 8	1307 Crawford	Houston
56	Houston Station 9	702 Hogan	Houston
57	Houston Station 6	3402 Washington	Houston
58	Houston Station 16	1700 Richmond	Houston
59	Houston Station 3	3735 W. Alabama	Houston
60	Houston Station 11	T.C Jester	Houston
61	Southside Place	6309 Edloe	Houston
62	West University Place	3800 University	Houston
63	Houston Station 28	3000 Chimney Rock	Houston
64	Houston Station 2	5880 Woodway	Houston
65	Houston Station 38	1120 Silber	Houston
66	Houston Station 60	2925 Jeannetta	Houston
67	Village	901 Corbindale	Houston
68	Houston Station 69	1102 West Belt	Houston
69	Houston Station 57	13602 Memorial	Houston
70	Houston Station 75	1995 Dairy Ashford	Houston
71	Houston Station 78	15100 Memorial	Houston
72	Houston Station 12	1502 Alber	Houston
73	Houston Station 15	5306 N Main	Houston
74	Houston Station 30	6702 Irvington	Houston
75	Houston Station 62	1602 Seamist	Houston
76	Houston Station 31	222 W. Crosstimbers	Houston
77	Houston Station 13	2215 W 43 rd	Houston
78	Houston Station 50	4420 Bingle	Houston
79	Houston Station 5	2020 Hollister	Houston
80	Houston Station 77	10155 Kempwood	Houston
81	Houston Station 66	5800 Teague	Houston
82	Cy Fair Station 5	16035 Nth Aspenglenn	Houston
83	Houston Station 90	Park Ten	Houston
84	Brookshire	910 Gresham	Brookshire
85	Pattison	FM 359	Pattison
86	San Felipe	15023 FM 1458	San Felipe
87	Sealy	121 Fowlkes	Sealy
88	Wallis	111 N 2 nd	Wallis
89	Fulshear Station 2	FM 1093	Simonton

90	East Bernard	808 Leveridge	East Bernard
91	Hungerford	8018 Houston St.	Hungerford
92	Wharton	319 N. Fulton	Wharton
93	Fairchilds	8715 Fairchilds Rd	Richmond
94	Rosharon	FM 521	Rosharon

**Exhibit E - Map showing the locations of nearby
fire stations (and a 25 mile buffer)**

FORT BEND AREA



Scale: 1" = 23760 feet

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1411 W. Alabama
Houston, TX 77006
713 - 522 - 7949

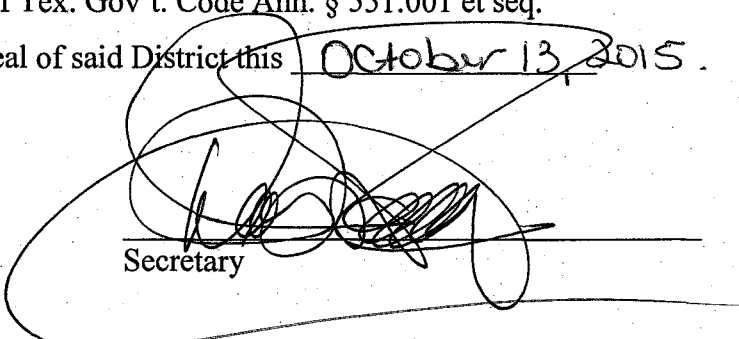
© KEY MAPS, INC.

© KEY MAPS, INC.

I, the undersigned secretary of the Board of Directors of Fort Bend County Municipal Utility District No. 118, hereby certify that the foregoing is a true and correct copy of the Order Adopting Fire Protection Plan for the District, adopted by said Board at its meeting of October 13, 2015, together with excerpts from the minutes of said Board's meeting on that date showing the adoption of said order, as same appear of record in the official minutes of the Board, on file in the District's office.

I further certify that said meeting was open to the public, and that notice thereof was posted in compliance with the provisions of Tex. Gov't. Code Ann. § 551.001 et seq.

Witness my hand and the official seal of said District this October 13, 2015.


Secretary

