

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

January 18, 2018

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 23 (the "District") met in regular session, open to the public, on the 18th day of January, 2018, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

William Thomas	President
Anzilla Gilmore	Vice President
Ellen Hughes	Secretary
Chris Robinson	Assistant Vice President
Steven Gates	Assistant Secretary

and all of the above were present except Directors Hughes and Robinson, thus constituting a quorum.

Also present at the meeting were Kim Courte of Arthur J. Gallagher & Co. ("Gallagher"); Tracey Scott of Myrtle Cruz, Inc.; Brian Edwards of LJA Engineering, Inc. ("LJA"); Rhonda Patterson of Assessments of the Southwest, Inc. ("ASW"); Calvin Browne and Ursalla Kelly of Municipal District Services, LLC ("MDS"); Monique Hayes of Eco Waste & Recycling ("Eco"); Marcus Campbell of Time and Season; and Adisa Harrington and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

CONSENT AGENDA

The minutes of the November 30, 2017, regular Board meeting, and December 19, 2017, special Board meeting, and consultant reports were provided in advance of the meeting. After discussion, Director Gilmore moved to approve all items on the consent agenda, and to direct that, where appropriate, items are filed and retained in the District's official records, including the following: (1) the minutes from the November 30, 2017, regular Board meeting, and December 19, 2017, special Board meeting; (2) the tax assessor/collector's report and delinquent tax report; (3) the operator's report; and (4) the Administrative Manager's report. Director Gates seconded the motion, which passed unanimously. Copies of all reports are attached.

PARKS AND RECREATIONAL FACILITIES MATTERS

Mr. Campbell reviewed maintenance items in the District.

REPORT ON DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott presented and reviewed the bookkeeper's report, investment report, and the bills presented for payment from the District's accounts.

Following review and discussion, Director Gilmore moved to approve the bookkeeper's report, investment report and payment of the bills. Director Gates seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Ms. Harrington stated that in accordance with the District's Investment Policy, Mary Jarmon, as the District's bookkeeper and Investment Officer, is required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission. After review and discussion, Director Gilmore moved to accept the disclosure statements and direct that they be filed appropriately and retained in the District's official records. Director Gates seconded the motion, which carried unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Harrington updated the Board on the District's Post-Issuance Compliance Policy. She stated that no changes are recommended to the Policy at this time. No Board action was taken.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Courte presented and reviewed the District's current insurance policy and renewal proposal from Gallagher that will expire in February 2018. Following review and discussion, Director Gilmore moved to accept the renewal proposal for the District's insurance from Gallagher and direct that the proposal be filed appropriately and retained in the District's official records. Director Gates seconded the motion, which was approved by unanimous vote.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off 16 uncollectable accounts totaling \$3,971.91 and send them to a collection agency.

Mr. Browne reported that All-Pump & Equip. Co. ("All-Pump") damaged the motor pit within the District's wastewater treatment plant oxidation ditch. He stated that the cost of the repairs will exceed \$25,000, and that All Pump will be paying for the damages. He reported that in order to make the repairs, the water level within the oxidation ditch will need to be lowered by modifying the treatment unit temporarily. He recommended to the Board that the wastewater treatment plant oxidation ditch repairs and related treatment unit modifications be bid in two separate packages by the District engineer, LJA. Mr. Edwards requested authorization for LJA to prepare the contract documents for the two projects.

Following review and discussion, Director Gates moved to (1) authorize MDS to write off 16 uncollectable accounts totaling \$3,971.91 and send them to a collection agency; and (2) authorize LJA to prepare the contract documents for the two projects to repair the damage to the motor pit within the District's wastewater treatment plant oxidation ditch. Director Gilmore seconded the motion, which passed unanimously.

AMENDMENT TO OPERATOR'S AGREEMENT

This agenda item was deferred until the next Board meeting.

UPDATE ON INSTALLATION OF SMART METERS IN THE DISTRICT

There was no discussion on this agenda item.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Browne presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Gates moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Gilmore seconded the motion, which passed by unanimous vote.

CONSIDER FINANCING STREET LIGHTING IN THE DISTRICT

Director Gates requested the Board consider financing street lighting in the District. Discussion ensued. Following discussion, the Board concurred to reconsider this matter in the fall.

ENGINEERING MATTERS

Mr. Edwards presented and reviewed the engineer's report, a copy of which is attached.

Mr. Edwards gave an update on water, sewer, and drainage facilities to serve Cambridge Falls, Section 10. He recommended the Board approve Change Order No. 1 in the amount of \$13,515.09 to decrease the contract amount to adjust the final quantities based on the actual work completed. He also recommended the Board approve Pay Estimate No. 3 and Final in the amount of \$12,098.26 and accept the project.

Mr. Edwards reported on a request by Fort Bend County Fresh Water Supply District No. 1 ("FWSD1") for temporary water and sewer capacity from the District in order to serve a 21.12 acre tract located on the southeast corner of the intersection of Trammel Fresno Road and Teal Bend Boulevard in FWSD1 until a new wastewater treatment plant can be built. The Board discussed the District's limited available water and sewer capacity. The Board also discussed the possible pending rerating of the District's wastewater treatment plant.

Mr. Edwards updated the Board on drainage issues in the District and surrounding area. He reported that a letter has been drafted to the Fort Bend County Commissioners regarding the drainage issues and improvements that could benefit the District.

Following review and discussion, and based on the engineer's recommendation, Director Gilmore moved to (1) approve the engineer's report; (2) approve Change Order No. 1 in the amount of \$13,515.09 to decrease the contract amount to adjust the final quantities based on the actual work completed, for water, sewer, and drainage facilities to serve Cambridge Falls, Section 10; (3) approve Pay Estimate No. 3 and Final in the amount of \$12,098.26 payable to Crostex Construction, Inc. for water, sewer, and drainage facilities to serve Cambridge Falls, Section 10 and final acceptance of the project; and (4) authorize LJA to respond to FWSD1 regarding the request for temporary water and sewer capacity from the District, as discussed. Director Gates seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING MATTERS

Ms. Hayes updated the Board on garbage collection in the District during the recent freeze. She reported that landfills were closed for two days during the freeze but

Eco still picked up the garbage in the District. She added that recycling services have been suspended until next Saturday. A copy of the garbage and recycling report is attached.

DISTRICT SECURITY MATTERS

Director Thomas reported on the recent Town Hall meeting.

2018 DIRECTORS ELECTION

ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2018 BOARD OF DIRECTORS ELECTION PERIOD

Ms. Harrington discussed procedures related to the 2018 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2018 Directors Election Period. Following review and discussion, Director Gates moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2018 Directors Election Period appointing Merry Heyne as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gilmore seconded the motion, which was approved by unanimous vote.

AUTHORIZE NOTICE OF DEADLINE TO FILE APPLICATIONS FOR PLACE ON THE BALLOT

Ms. Harrington reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2018 Directors Election. Following discussion, Director Gates moved to authorize the Secretary's agent to post the notice as required. Director Gilmore seconded the motion, which was approved by unanimous vote.

APPROVE CONTRACT FOR ELECTION SERVICES WITH FORT BEND COUNTY

Ms. Harrington stated that the District may contract with Fort Bend County (the "County") to conduct the District's 2018 Directors Election. After discussion, Director Gates moved to contract with the County to administer the District's election. Director Gilmore seconded the motion, which was approved by unanimous vote.

ADOPT ORDER CALLING DIRECTORS ELECTION

Ms. Harrington reviewed an Order Calling Directors Election. Following review and discussion, Director Gates moved to adopt the Order Calling Directors Election. Director Gilmore seconded the motion, which passed unanimously.

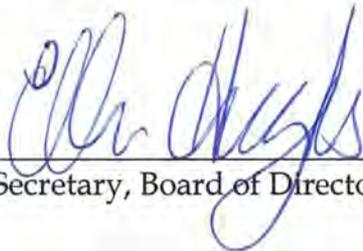
AUTHORIZE NOTICE OF ELECTION

Ms. Harrington discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Fort Bend County. Following review and discussion, Director Gates moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Gilmore seconded the motion, which passed unanimously.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Ms. Harrington informed the Board that Acclaim Energy Advisors has requested to be added to the February agenda to discuss energy matters.

There being no further business to come before them, the Board concurred to adjourn the meeting.



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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