

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

June 28, 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 28th day of June, 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, thus constituting a quorum.

Also present at the meeting were Tracey Scott of Myrtle Cruz, Inc.; Brian Edwards of LJA Engineering, Inc. ("LJA"); David Patterson of Assessments of the Southwest, Inc. ("ASW"); Calvin Browne and Ursalla Kelly of Municipal District Services, LLC ("MDS"); Marcus Campbell of Time and Season; Christie Leighton of Best Trash, LLC ("Best Trash"); and Lynne Humphries 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 May 24, 2018, regular Board meeting, and consultant reports were provided in advance of the meeting. After discussion, Director Hughes 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 May 24, 2018, regular Board meeting; (2) the tax assessor/collector's report and delinquent tax report; (3) authorize the District's delinquent tax attorney to begin collecting the 2017 delinquent taxes on July 1, 2018; (4) the operator's report; and (5) the Administrative Manager's report. Director Robinson seconded the motion, which passed unanimously. Copies of all reports are attached.

GARBAGE AND RECYCLING MATTERS

Ms. Leighton discussed garbage and recycling matters in the District and the transition in garbage providers to Best Trash. She presented a lime green 48-gallon recycling cart for the Board's consideration. The Board then discussed the various options for recycling carts in the District. The Board also considered switching to a larger 65-gallon trash cart. Following review and discussion, Director Hughes moved to approve an amended contract with Best Trash for garbage and recycling services including a 65-gallon trash cart and a 48-gallon lime green recycle cart at a monthly cost of \$18.25 per resident for a five-year term commencing November 1, 2018, and direct that the amended contract be filed appropriately and retained in the District's records. Director Gates seconded the motion, which passed unanimously.

PARKS AND RECREATIONAL FACILITIES MATTERS

Mr. Campbell presented and reviewed the different maintenance items included in Time and Season's bi-monthly Inspection Report for park and recreational facilities, a copy of which is attached.

Director Gilmore reported that she and Director Robinson met with Terry Phillips of Facility Programming and Consulting to discuss potential uses for the 10-acre tract owned by the District. Following review and discussion, the Board concurred to schedule a special meeting on Wednesday, July 25th at 6:30 p.m. to discuss this matter further with Mr. Phillips, subject to his availability.

REPORT ON DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

ASSOCIATION OF WATER BOARD DIRECTORS CONFERENCE

The Board discussed the summer Association of Water Board Directors ("AWBD") Conference and congratulated Director Hughes for her election to the AWBD Board of Trustees. After discussion, Director Hughes moved to approve reimbursement of eligible summer conference expenses submitted by all participating Directors, which the bookkeeper confirmed were submitted in accordance with the District's Travel Reimbursement Guidelines, and authorize attendance at the winter conference by any Director who wishes to participate. Director Gilmore seconded the motion, which was approved by unanimous vote.

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 Gates moved to approve the bookkeeper's report, investment report

and payment of the bills. Director Gilmore seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

ENGINEERING MATTERS

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

Mr. Edwards gave an update on the Trammel-Fresno Road Expansion Project. He reported that construction by Fort Bend County ("FBC") should be completed by January 2020. Discussion ensued regarding children in the District who are having to walk on a portion of Trammel-Fresno Road in order to get to the school because there is no sidewalk. Following discussion, the Board concurred to contact Commissioners Vincent Morales and Grady Prestage to look into this matter.

Mr. Edwards gave an update on water, sewer, and drainage facilities to serve Cambridge Falls, Section 11. He reviewed and recommended approval of Change Order No. 1 to the contract with Crostex Construction, Inc. ("Crostex") in the amount of \$4,081.68 to decrease the contract amount to adjust the final quantities based on the actual work completed. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Edwards gave an update on FBC's South Post Oak Boulevard extension and the proposed detention pond location on property owned by the District. He reported that FBC is acquiring the right of way ("ROW") for the project, and a portion of the proposed ROW encroaches on the District's land on the east side of the proposed South Post Oak Road. He presented and reviewed a letter from PAS Property Acquisition Services, LLC ("PAS") regarding the appraised value of the ROW to be acquired by FBC, a copy of which is attached to the engineer's report. The Board discussed the value of the District's portion of the ROW and considered providing a counter offer to FBC, if appropriate, after further evaluation.

Following review and discussion, and based on the engineer's recommendation, Director Hughes moved to (1) approve the engineer's report; (2) approve Change Order No. 1 in the amount of \$4,081.68 as a decrease to the contract with Crostex, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (3) authorize ABHR to send a letter to PAS, after further evaluation of the market value of the District's property, responding to the offer as discussed. Director Robinson seconded the motion, which passed unanimously.

UPDATE ON ROAD POWER MATTERS

Mr. Edwards updated the Board on acquiring road powers for the District. He reported that the Road Powers Application to the Texas Commission on Environmental Quality ("TCEQ") has been filed.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off 11 uncollectable accounts totaling \$1,676.47 and send them to a collection agency.

Mr. Browne presented and reviewed two proposals to replace the 10 inch well meter at the remote water well, from Southern Flowmeter in the amount of \$4,465 and Accurate Meter in the amount of \$6,150.

Mr. Browne presented and reviewed a proposal to repair the air compressor line to the Hydro Pneumatic Tank ("HPT") at Water Plant 1 in the amount of \$6,171.

Mr. Browne gave an update on the recent request for service for a residential group home in the District. He reported that after looking into this matter further, it was determined that this group home, owned by Texana, is listed as a residential non-profit home and does not need to be listed as a commercial business.

The Board requested that MDS send an email blast to the District residents notifying them that there will be no trash or recycling pick up on the 4th of July holiday.

Following review and discussion, Director Hughes moved to (1) authorize MDS to write off 11 uncollectable accounts totaling \$1,676.47 and send them to a collection agency; (2) authorize Southern Flowmeter to replace the 10 inch well meter at the remote water well, at a cost of \$4,465, as discussed; and (3) authorize the repair of the air compressor line to the HPT at Water Plant 1 at a cost of \$6,171, as discussed. Director Gates seconded the motion, which passed by unanimous vote.

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 Hughes 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 Gates seconded the motion, which passed by unanimous vote.

DISTRICT SECURITY MATTERS

The Board discussed the curfew ordinance in the District that has expired. Following review and discussion, the Board concurred to have Director Gilmore follow up with the Fort Bend County Commissioner's office regarding steps to obtain a new curfew ordinance in the District.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Ms. Kelly informed the Board that a nonprofit group has requested to use the District administration building without paying a fee. Following review and discussion, the Board concurred that, under the District's written rental policy, this nonprofit group is allowed to use the District administration building without paying a fee.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 7:24 p.m. pursuant to Section 551.071, Texas Government Code.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 7:30 p.m. There was no Board action taken.

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

(SEAL)



Steburn

Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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