

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

July 26, 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 26th day of July, 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 Thomas and Hughes, thus constituting a quorum.

Also present at the meeting were Nino Corbett of Compass Land Development, LLC; 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"); Marcus Campbell of Time and Season; Christie Leighton of Best Trash, LLC ("Best Trash"); 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 June 28, 2018, regular Board meeting, and May 16, 2018, special Board meeting, and consultant reports were provided in advance of the meeting. After discussion, Director Gates 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 June 28, 2018, regular Board meeting, and May 16, 2018, special Board meeting; (2) the arbitrage rebate report for the Series 2013 Bonds; (3) the tax assessor/collector's report and delinquent tax report; (4) the operator's report; (5) the Interlocal Agreement between the District and Fort Bend Subsidence District reflecting the sponsorship of Burton Elementary and Goodman Elementary; and (6) 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 updated the Board on garbage and recycling matters in the District. She reported that the new contract that includes lime green 48-gallon recycling carts and 65-gallon trash carts will begin on November 1, 2018. She added that Fort Bend County Municipal Utility District No. 24 ("MUD 24") is considering adding these larger recycling and garbage carts as well. A copy of the garbage and recycling report is attached.

PARKS AND RECREATIONAL FACILITIES MATTERS

Director Gilmore updated the Board on the special meeting with Terry Phillips of Facility Programming and Consulting to discuss potential uses for the 10-acre tract owned by the District. Following discussion, Director Robinson moved to approve the Professional Services Agreement with Facility Programming and Consulting. Director Gates seconded the motion, which passed unanimously.

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 Robinson seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

ADDITIONAL TAX MATTERS

SCHEDULE IN-DISTRICT MEETING FOR TERMINATION OF WATER SERVICE FOR DELINQUENT TAX ACCOUNTS

After discussion, the Board concurred to schedule an in-District meeting for termination of water service for delinquent tax accounts on either September 11, 2018, or September 12, 2018, subject to the availability of Directors Thomas and Hughes and the delinquent tax attorney.

ENGINEERING MATTERS

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

Mr. Edwards gave an update on the proposed effluent reuse facilities at the wastewater treatment plant. He presented and reviewed a preliminary construction cost estimate for the water reuse irrigation system for the landscaping along the perimeter fence of the wastewater treatment plant in the amount of \$90,540. He stated he is working on a cost-benefit analysis for the project.

Mr. Edwards gave an update on the Trammel-Fresno Road Expansion Project. He reported that the contractor will be installing a sidewalk on Trammel Fresno between Hurricane Lane and Winfield Lakes Trail before school begins in August.

Mr. Edwards gave an update on replacement of the bar screen at the wastewater treatment plant. He recommended the Board approve Pay Estimate No. 1 in the amount of \$8,100.

Mr. Edwards gave an update on rerating the wastewater treatment plant. He reported that based on the data received to date, the additional capacity available in the wastewater treatment plant is 225 ESFCs. Discussion ensued regarding there not being enough capacity for the request from Fort Bend County Fresh Water Supply District No. 1 ("FWSD No. 1") for the 21.12-acre tract located on the southeast corner of the intersection of Trammel Fresno Road and Teal Bend Boulevard.

Mr. Edwards gave an update on Fort Bend County's South Post Oak Boulevard extension and the proposed detention pond location on property owned by the District. He reported that, after further research into the appraised value of the right of way ("ROW"), the District sent a letter to PAS Property Acquisition Services, LLC ("PAS") accepting PAS's offer for the portion of the proposed ROW that encroaches on the District's land on the east side of the proposed South Post Oak Road. He added that the land conveyance documents are being finalized.

Ms. Harrington informed the Board that pursuant to Senate Bill 902, since the District has used in excess of \$200,000 in electricity during a one-year period, the District will be required every five years to (1) evaluate the consumption of electricity; (2) establish goals to reduce the consumption of electricity; and (3) identify and implement cost-effective energy efficiency measures. It was noted that the District may have exceeded \$200,000 some or all of the past five years and that the timing of the evaluation will depend on which years exceeded the \$200,000 threshold. Following discussion, the Board concurred to defer action on this matter pending confirmation from the District's bookkeeper regarding the District's annual electricity expense for the past five years.

Discussion ensued regarding a tract of land located adjacent to water plant no. 1, and the Board expressed interest in purchasing or mowing the tract.

Following review and discussion, and based on the engineer's recommendation, Director Gates moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 in the amount of \$8,100 for replacement of the bar screen at the wastewater treatment plant, payable to T&C Construction, Ltd.; (3) authorize LJA to send a letter to FWSD No. 1 informing them that the District does not have enough capacity for the 21.12-acre tract, as discussed; and (4) authorize ABHR to send a letter to the owner of the tract adjacent to water plant no. 1 offering to purchase or mow the tract. Director Robinson seconded the motion, which passed unanimously.

ROAD POWER MATTERS

Mr. Edwards gave an update on acquiring road powers for the District. He reported that the administratively complete letter has been received from the Texas Commission on Environmental Quality ("TCEQ").

STREET LIGHTS IN THE DISTRICT

Ms. Harrington reported that MUD 24 is considering installing street lights in MUD 24 along Chimney Rock Road near the elementary school. She added that there is a section of Chimney Rock Road that is located in the District, and MUD 24 is interested in partnering with the District for the installation of the streetlights. She reported that the preliminary research shows that the cost of each street light is approximately \$1,500-\$2,500, dependent upon which type of light is chosen. Discussion ensued regarding the suggested number and spacing of the street lights for the area, and asking the homeowners association to pay the ongoing electricity cost for any new street lights. Following discussion, the Board requested that MUD 24 provide the District more information on this streetlight project and that the homeowner associations confirm whether they will pay the ongoing electricity cost for the new street lights. Mr. Corbett stated he will follow up with the MUD 24 homeowner's association regarding this matter.

REPORT ON DEVELOPMENT IN THE DISTRICT

Mr. Corbett reported on development in the District.

DISTRICT SECURITY MATTERS

The Board discussed security issues in the District. Mr. Corbett presented and reviewed with the Board a letter from a District resident concerning possible criminal activity in the District. He added that the resident expressed concern regarding the level of security service provided in the District. Discussion ensued. Following discussion, the Board concurred to schedule a special meeting in the District to discuss security matters with the Constable on either August 6, 2018, or August 10, 2018, subject to the availability of Directors Thomas and Hughes.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off four uncollectable accounts totaling \$513.58 and send them to a collection agency.

Mr. Browne gave an update on the District customer complaint about the sidewalk at 3007 Edgewick Elm Street. Mr. Browne reported that after investigating, it was determined that the problems with the sidewalk are not due to District facilities.

Mr. Browne gave an update on replacement of the 10-inch well meter at the remote water well. He reported the job is underway.

Following review and discussion, Director Gates moved to authorize MDS to write off four uncollectable accounts totaling \$513.58 and send them to a collection agency. Director Robinson 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 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 Robinson seconded the motion, which passed by unanimous vote.

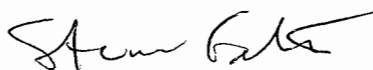
REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

There was no discussion on this agenda item.

CONVENE IN EXECUTIVE SESSION

The Board did not convene in executive session pursuant to Section 551.071.

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


Asst. Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Page <u>No.</u>
Tax assessor/collector's report	1
Delinquent tax report.....	1
Operator's report.....	1
Administrative Manager's report	1
Garbage and recycling report.....	2
Bookkeeper's report.....	2
Engineer's report.....	2