

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

August 23, 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 23rd day of August, 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 Director Hughes, thus constituting a quorum.

Also present at the meeting were Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); 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; and Katie Sherborne, Whitney Higgins, 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 July 26, 2018, regular Board meeting, and July 25, 2018, 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 July 26, 2018, regular Board meeting, and July 25, 2018, 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 Robinson seconded the motion, which passed unanimously. Copies of all reports are attached.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:16 p.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with attorney to discuss pending or contemplated litigation, or a settlement offer.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 6:29 p.m. There was no Board action taken.

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 updated the Board on the special meeting with Facility Programming and Consulting to discuss potential uses for the 10-acre tract owned by the District. Following discussion, the Board concurred to hold a special meeting in the District on September 18, 2018, to review and discuss the District's parks master plan and development of the 10-acre tract.

GARBAGE AND RECYCLING MATTERS

The Board discussed a draft notification provided by Best Trash, LLC ("Best Trash") informing District residents of the switch to 48-gallon recycling carts and 65-gallon trash carts to be provided by Best Trash as of November 1, 2018. Following discussion, the Board concurred to review the draft notification and provide any suggested changes to Best Trash.

REPORT ON DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING DISCUSS PRELIMINARY BUDGET FOR FISCAL YEAR END DECEMBER 31, 2019

Ms. Scott presented and reviewed the bookkeeper's report, investment report, and the bills presented for payment from the District's accounts. The Board reviewed and discussed a draft budget for the fiscal year end December 31, 2019. 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.

DISCUSS 2018 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE PUBLICATION OF NOTICE OF PUBLIC HEARING

Ms. Williams presented an analysis of the recommended District tax rate, a copy of which is attached. Discussion ensued and the Board determined to publish notice of the 2018 tax rate at \$0.80 per \$100 of assessed valuation, with \$0.55 allocated to debt service and \$0.25 allocated to maintenance and operations. Following review and discussion, Director Robinson moved to (1) set a public hearing date to adopt the tax rate on September 27, 2018, at 6:00 p.m. at ABHR; and (2) authorize the tax assessor/collector to publish notice of the tax hearing and the proposed rate as required by law. Director Gilmore seconded the motion, which passed unanimously.

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 the contractor will be installing a sidewalk on Trammel Fresno between Hurricane Lane and Winfield Lakes Trail by the end of August.

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 the District is awaiting comments on the land conveyance documents from Fort Bend County. He added that he will follow up with the County.

Mr. Edwards gave an update on the request from Fort Bend County Fresh Water Supply District No. 1 ("FWSD No. 1") for temporary water and wastewater service for the 21.12-acre tract located on the southeast corner of the intersection of Trammel Fresno Road and Teal Bend Boulevard. He reported that LJA sent a letter declining the request, and FWSD No. 1 is now asking if the District would consider temporary water service only. Discussion ensued.

Mr. Edwards gave an update on the preparation of the 5-year evaluation in accordance with Senate Bill 902. Mr. Edwards confirmed that the District is currently in its fourth year of using in excess of \$200,000 in electricity during a one-year period since they did not exceed \$200,000 in energy usage until 2015. He added that the District can wait to prepare the 5-year evaluation until the first quarter of 2020.

Mr. Edwards gave an update on the tract of land located adjacent to water plant no. 1 that the Board expressed interest in purchasing or mowing. He reported that ABHR sent the property owner a letter and that ABHR was informed that the property was recently sold to another individual within the past year. He added that the new owner, Sam Matthew, has recently contacted ABHR but has not returned ABHR's message that was left in response to his phone call.

Following review and discussion, and based on the engineer's recommendation, Director Gates moved to (1) approve the engineer's report; and (2) authorize LJA to send a letter to FWSD No. 1 informing them that the District is declining their request for temporary water service. 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 he is waiting to hear back from the Texas Commission on Environmental Quality ("TCEQ").

STREET LIGHTS IN THE DISTRICT

Ms. Sherborne updated the Board on partnering with Fort Bend County Municipal Utility District No. 24 ("MUD 24") to install street lights in MUD 24 and the District along Chimney Rock Road near the elementary school. It was noted that this matter is pending and is subject to the applicable homeowner associations agreeing to pay the ongoing electricity cost for the new street lights.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off 21 uncollectable accounts totaling \$2,698.07 and send them to a collection agency.

Mr. Browne reported that MDS performed the District's semi-annual well production testing on Water Well Nos. 1, 2 and 3 and the remote water well. He reviewed the results of the testing and informed the Board that Water Well Nos. 1 and 3 need to be addressed. He recommended that Water Well No. 1 be pulled this fall or winter in order to obtain proposals to repair or replace Water Well No. 1. He also recommended that the unbalanced amperage at Water Well No. 3 be inspected by electrical personnel.

Mr. Browne reported on another recent request for service for a residential group home in the District. The Board discussed the requirements of the group home to follow the Rate Order as it pertains to a commercial business and concurred to have the District engineer send a letter to the owner of the property regarding the requirements.

Following review and discussion, Director Gates moved to (1) authorize MDS to write off 21 uncollectable accounts totaling \$2,698.07 and send them to a collection agency; (2) authorize MDS to pull Water Well No. 1 this fall or winter, in order to obtain proposals to repair or replace Water Well No. 1; (3) authorize inspection of the unbalanced amperage at Water Well No. 3 by electrical personnel; and (4) authorize LJA to send a letter regarding the group home setting forth the requirements that must be

met in order for the group home to receive District service. 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.

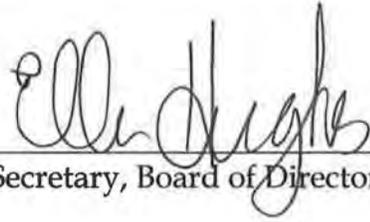
DISTRICT SECURITY MATTERS, INCLUDING APPROVE INTERLOCAL AGREEMENT FOR ADDITIONAL LAW ENFORCEMENT SERVICES

The Board discussed security issues in the District. Ms. Sherborne presented and reviewed a proposed Interlocal Agreement for Additional Law Enforcement Services between FBC, MUD 24, and the District ("the Interlocal Agreement") for the period of October 1, 2018, to September 30, 2019. Following review and discussion, Director Gilmore moved to approve the Interlocal Agreement, subject to final review, and direct that it be filed appropriately and retained in the District's official records. Director Gates seconded the motion, which passed unanimously.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Ms. Kelly presented and reviewed a draft notice for distribution to District residents regarding how to contact the Constable patrol and Sheriff's Office for emergency and non-emergency situations. The Board concurred to have this notice posted on the District's website, mailed as a flyer to District residents, and included in an email blast to residents. A copy of the notice is attached.

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



Secretary, Board of Directors

(SEAL)



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