

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

October 25, 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 25th day of October, 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"); Brittni Silva of Assessments of the Southwest, Inc. ("ASW"); Calvin Browne and Ursalla Kelly of Municipal District Services, LLC ("MDS"); 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 September 27, 2018, regular 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 September 27, 2018, regular 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.

GARBAGE AND RECYCLING MATTERS

There was no discussion on this matter.

## PARKS AND RECREATIONAL FACILITIES MATTERS

There was no discussion on this matter. A copy of the previously distributed Time and Season bi-monthly Inspection Report for park and recreational facilities is attached.

## REPORT ON DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

## FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING BUDGETS FOR DISTRICT AND REGIONAL FACILITIES 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 also reviewed the draft District and regional facilities budgets for fiscal year end December 31, 2019, copies of which are attached to the bookkeeper's report. Following review and discussion, Director Hughes moved to (1) approve the bookkeeper's report, investment report and payment of the bills; and (2) adopt the joint facilities budget, as presented, for fiscal year end December 31, 2019, and authorize the bookkeeper to send to Fort Bend County Municipal Utility District No. 24 ("MUD 24") for review. Director Gilmore seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached. There was no action taken on the District budget for fiscal year end December 31, 2019.

## ENGINEERING MATTERS

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

Mr. Edwards gave an update on construction of water plant no. 1 ground storage tank no. 2. He reported the Texas Commission on Environmental Quality ("TCEQ") has granted a temporary exception to the requirements to allow the proposed ground storage tank to be within 500 feet of the lift station and treatment units at the wastewater treatment plant, subject to the installation of air vent filters for the existing tank and proposed tank as well as additional testing and monitoring requirements. He requested that the construction of the water plant no. 1 ground storage tank no. 2 project and the water plant nos. 1 and 2 recoating project be combined into one project.

Mr. Edwards gave an update on the Trammel-Fresno Road Expansion Project. He reported that the latest schedule from Fort Bend County shows the project will be completed in June 2020.

Mr. Edwards gave an update on renewal of the wastewater treatment plant permit. He reported that the new permit was issued by the TCEQ on October 12, 2018, and will expire on October 12, 2023.

Mr. Browne discussed the rehabilitation of Water Well Nos. 1 and 3. He added that further details will be provided later in the meeting under additional operating matters.

Mr. Edwards informed the Board that MUD 24 is moving forward with the proposed annexation of approximately 520 acres into MUD 24 and is seeking Missouri City's approval to include the annexation tract in its GRP and the City of Houston's approval for the annexation itself. He reported that MUD 24 is proposing to have a separate wastewater system and wastewater treatment plant facility to serve the additional development and is considering two different options for water. He said the first option is to construct a separate stand-alone water system to serve the annexed land in MUD 24, and the second option is an expanded regional water system that would include an additional water plant in MUD 24. Following discussion, the Board requested that LJA provide a cost comparison for a separate stand-alone water system versus an expanded regional water system that shows the pro-rata share for the District and MUD 24.

Mr. Edwards updated the Board on potential drainage improvements and maintenance of Long Point Creek adjacent to the District. He reported that ABHR has confirmed that Fort Bend Independent School District ("FBISD") owns the property. Discussion ensued about transferring the land within the Long Point Creek drainage easement from FBISD to the District.

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 the property owner has agreed to allow the District to mow the tract at the District's cost. He added that ABHR is working on an agreement between the property owner and the District.

Mr. Edwards discussed Bond Application No. 15. He reviewed a proposal from LJA for engineering fees in the amount of \$45,000 for preparation of Bond Application No. 15 and requested Board authorization to prepare the bond application.

Following review and discussion, and based on the engineer's recommendation, Director Gates moved to (1) approve the engineer's report; and (2) approve LJA's proposal for preparation of Bond Application No. 15 and authorize LJA to prepare the bond application. Director Hughes seconded the motion, which passed unanimously.

#### ROAD POWER MATTERS

Mr. Edwards updated the Board on the District's pending road powers

application. He reported that LJA received minor comments from the Texas Commission on Environmental Quality that LJA is addressing.

#### STREET LIGHTS IN THE DISTRICT

Mr. Edwards updated the Board on installing street lights in the District and MUD 24 along Chimney Rock Road near the elementary school. He informed the Board that Cambridge Falls Homeowners Association and MUD 24's homeowner's association have agreed to pay the ongoing electricity costs for the new street lights. Mr. Edwards added that LJA is still awaiting an estimate from CenterPoint Energy regarding the cost to install the street lights.

#### ADDITIONAL TCEQ PHASE II SMALL MS4 GENERAL PERMIT, INCLUDING AMEND RATE ORDER

The Board considered amending the Rate Order to include penalties for failure to comply with the District's Stormwater Guidance Manual. Following review and discussion, Director Hughes moved to (1) adopt an Amended Rate Order reflecting penalties for failure to comply with the District's Stormwater Guidance Manual and direct that the Rate Order be filed appropriately and retained in the District's official records; and (2) authorize publication of a Notice of Adoption of Rules and Penalties. Director Robinson seconded the motion, which passed unanimously.

#### ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off 16 uncollectable accounts totaling \$2,146.83 and send them to a collection agency.

Mr. Browne further discussed the rehabilitation of Water Well No. 1 and Water Well No. 3. He presented and reviewed a proposal from C&C Water Services LLC ("C&C") in the amount of \$139,510 for rehabilitation of Water Well No. 1. He also presented and reviewed a proposal from C&C in the amount of \$193,483 for replacement of the well pump and column assembly and modification to a vertical turbine pump for Water Well No. 3. It was noted these costs will be pro-rata shared with MUD 24.

Mr. Browne informed the Board that the perimeter fence at stormwater pump station no. 1 needs to be replaced or repaired. He presented and reviewed proposals to replace the entire fence and gate from All Texas Fence ("All Texas") in the amount of \$10,862 and Torres Construction & Irrigation ("Torres") in the amount of \$11,855. He also presented and reviewed proposals to replace only the south and west sides of the fence and the Double Drive gate from All Texas in the amount of \$6,885 and Torres in the amount of \$7,125.

The Board considered adoption of a Resolution Expressing Intent to Reimburse the operating fund for costs associated with the rehabilitation of Water Well No. 1 and Water Well No. 3.

Following review and discussion, and based on the operator's recommendation, Director Hughes moved to (1) authorize MDS to write off 16 uncollectable accounts totaling \$2,146.83 and send them to a collection agency; (2) authorize C&C to rehabilitate Water Well No. 1 at a cost of \$139,510; (3) authorize C&C to replace the well pump and column assembly on Water Well No. 3, and modify Water Well No. 3 to a vertical turbine pump, at a cost of \$193,483; (4) authorize All Texas to replace the entire perimeter fence and gate at stormwater pump station no. 1 at a cost of \$10,862; and (5) adopt the Resolution Expressing Intent to Reimburse for costs associated with the rehabilitation of Water Well No. 1 and Water Well No. 3, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gates seconded the motion, which passed unanimously.

#### 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 to the Directors 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

There was no discussion on this agenda item.

#### MEETING DATES FOR NOVEMBER AND DECEMBER

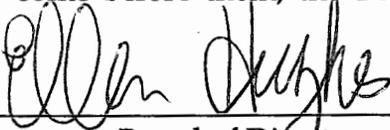
Due to the holidays, the Board concurred to reschedule the November Board meeting to November 29, 2018, at 6:00 p.m. at the District's regular meeting place, the December Board meeting to January 10, 2019, at 6:00 p.m. at the District's regular

meeting place, and the January Board meeting to January 31, 2019, at 6:00 p.m. at the District's regular meeting place.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Ms. Heyne informed the Board that Acclaim Energy Advisors ("Acclaim") has requested to be added to the next agenda to discuss energy matters. Following discussion, the Board concurred to not obtain pricing from Acclaim at next month's Board meeting.

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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