

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

January 10, 2019

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 10th day of January, 2019, 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 Captain R.T. Stewart and Sergeant Don Dinh of Precinct Two, Fort Bend County Constable's Office; 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"); Scott Stevenson of Simple Recycling; and Adisa Harrington and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Ms. Harrington opened the meeting for public comments. Mr. Stevenson introduced himself and stated he is a representative of Simple Recycling. He distributed information regarding a residential curbside textile recycling program provided by Simple Recycling and requested that an agenda item be added to the next Board meeting to discuss the recycling program further. There being no additional public comments, Ms. Harrington closed the meeting to public comments.

CONSENT AGENDA

The minutes of the November 29, 2018, regular Board meeting, and consultant reports were provided in advance of the meeting. After discussion, Director Gates moved to remove agenda item 2.b. and to approve all remaining 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 29, 2018, regular Board meeting; (2) the operator's report; and (3) the Administrative Manager's report. Director Robinson seconded the motion, which passed unanimously. Copies of all reports are attached.

ITEMS REMOVED FROM THE CONSENT AGENDA

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson presented and reviewed the tax assessor/collector's report and the delinquent tax roll, copies of which are attached. Mr. Patterson also discussed a property located at 1206 Hunter Green Lane that is on the delinquent tax report and was previously scheduled for a tax sale due to nonpayment of taxes. He reported that the tax sale was cancelled because the property owner made a partial payment. He further reported that the homeowner is once again delinquent on the payment of his taxes and can be scheduled again for a tax sale. Discussion ensued. After review and discussion, Director Thomas moved to (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) authorize Perdue, Brandon, Fielder, Collins & Mott, L.L.P. to schedule the property located at 1206 Hunter Green Lane for a tax sale, as discussed. Director Robinson seconded the motion, which passed by unanimous vote.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2018

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall Gibson") to conduct the District's annual audit for fiscal year end December 31, 2018, pursuant to the evergreen engagement letter the District previously approved with McCall Gibson. Ms. Harrington presented a letter from McCall Gibson estimating a \$17,250 to \$18,750 fee for preparing the audit for the fiscal year ending December 31, 2018, a copy of which is attached. Following review and discussion, Director Gates moved to authorize McCall Gibson to conduct the annual audit for fiscal year end December 31, 2018. Director Robinson seconded the motion, which was approved by unanimous vote.

GARBAGE AND RECYCLING MATTERS

Following discussion, the Board concurred to add an agenda item to the next regular Board meeting to consider an agreement with Simple Recycling, as requested.

PARKS AND RECREATIONAL FACILITIES MATTERS

The Board discussed a proposed survey asking District residents to provide feedback on the development of the 10-acre tract. Following review and discussion, the Board concurred to provide any feedback and comments on the proposed survey to ABHR no later than January 14, 2019. It was noted that the survey will then be forwarded to District residents and they will have two weeks to complete and submit the survey.

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 Robinson 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.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines and the Association of Water Board Directors ("AWBD") winter conference. After review and discussion, Director Robinson moved to authorize the directors attending the conference to receive up to three per diems, two nights' hotel stay, and reimbursement for meals up to \$50.00 per day during the conference, submitted in accordance with the Guidelines. Director Gilmore seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

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

Mr. Edwards gave an update on replacement of the bar screen at the wastewater treatment plant. He reviewed and recommended approval of Change Order No. 1 to the contract with T&C Construction, Ltd. ("T&C") in the amount of \$2,216.45 to increase the contract amount to repair damaged concrete on the headworks structure at the existing force main tie-in location. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Edwards gave an update on the proposed expansion of the regional water system. He reported that LJA is still working on a cost comparison for each water system option. He also gave an update on the proposed annexation of four tracts into Fort Bend County Municipal Utility District No. 24 ("MUD 24"). He reported that MUD 24 received a letter from Missouri City, the Groundwater Reduction Plan ("GRP") Administrator for the area covering the District and MUD 24, stating that they do not support including the annexation tracts in the City's GRP because they believe it would have a negative impact on the GRP and that it could negatively impact the City's mandated surface water conversion requirement. Mr. Edwards informed the Board that LJA is looking into other options including entering into a contact with the North Fort Bend Water Authority GRP.

Mr. Edwards gave an update on potential drainage improvements and maintenance of Long Point Creek adjacent to the District. He reported on possible dates for a meeting with Fort Bend Independent School District, the City of Missouri City, and Fort Bend County Drainage District. Discussion ensued.

Ms. Harrington gave an update on the tract of land located adjacent to water plant no. 1 that the Board expressed interest in purchasing or mowing. She reported that although the property owner previously agreed to allow the District to mow the tract at the District's cost, he has failed to sign the related letter agreement despite numerous attempts by ABHR to contact him.

Following review and discussion, and based on the engineer's recommendation, Director Hughes moved to (1) approve the engineer's report; and (2) approve Change Order No. 1 in the amount of \$2,216.45 as an increase to the contract with T&C for replacement of the bar screen at the wastewater treatment plant, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Robinson seconded the motion, which passed unanimously.

ROAD POWER MATTERS

Mr. Edwards gave an update on the District's pending road powers application. He reported that the Texas Commission on Environmental Quality ("TCEQ") provided the draft order and technical memorandum for review on December 21, 2018. He further reported that after review by the District's consultants, ABHR provided consent to the TCEQ on January 4, 2019.

STREET LIGHTS IN THE DISTRICT

Mr. Edwards gave an update on the proposed installation of street lights in the District and MUD 24 along Chimney Rock Road near the elementary school. He reported that LJA has prepared a revised memorandum that outlines the ongoing electricity cost for each homeowners association.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off nine uncollectable accounts totaling \$1,839.23 and send them to a collection agency.

Mr. Browne gave an update on the rehabilitation of Water Well No. 1 and Water Well No. 3. He reported that Water Well No. 1 is back in service, and that Water Well No. 3 will be taken out of service next week. He reminded the Board that Water Well No. 3 will be converted from a submersible well to an above ground vertical well.

Mr. Browne informed the Board that the \$3.00 donation option on District water bills for the Fresno Volunteer Fire Department has been removed from District water bills effective January 11, 2019.

Mr. Brown presented and reviewed a proposal from NTS Pumps, Motors and Controls ("NTS") to repair lift pump #2 at lift station 5 in the amount of \$4,185, replace lift pump #2 at lift station 5 with a new KSB pump in the amount of \$15,418, and replace lift pump #2 at lift station 5 with a flygt pump in the amount of \$25,965.

Following review and discussion, and based on the operator's recommendation, Director Hughes moved to (1) authorize MDS to write off nine uncollectable accounts totaling \$1,839.23 and send them to a collection agency; and (2) authorize NTS to repair lift pump #2 at lift station 5 at a cost of \$4,185. Director Gilmore 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 Gilmore seconded the motion, which passed by unanimous vote.

DISTRICT SECURITY MATTERS

Sergeant Dinh and Captain Stewart reported on security matters in the District. Captain Stewart informed the Board that he is the new Captain overseeing District security. Discussion ensued. Captain Stewart requested that District residents inform the officers when they become aware of any crimes committed in the District.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Harrington informed the Board that ABHR has filed an annual updated eminent domain report to the Texas Comptroller on the District's behalf pursuant to state requirements. She added the filing deadline is February 1, 2019.

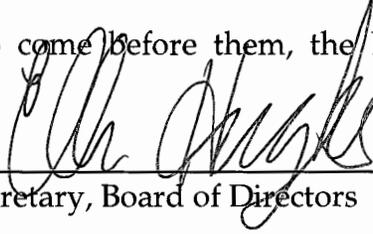
RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Harrington presented and reviewed the District's current insurance policy and renewal proposal from Arthur J. Gallagher & Co. ("Gallagher") that will expire on February 9, 2019. Following review and discussion, Director Hughes 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 Gilmore seconded the motion, which was approved by unanimous vote.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

There was no discussion on this agenda item.

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

	Page <u>No.</u>
Operator's report	1
Administrative Manager's report.....	1
Tax assessor/collector's report and delinquent tax roll.....	2
Letter from McCall Gibson Swedlund Barfoot PLLC	2
Bookkeeper's report	3
Engineer's report.....	3