

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

January 31, 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 31st 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 Justin Klump of Storm Water Solutions, LP; Constable Daryl Smith, Sr. and Sergeant Don Dinh of Precinct Two, Fort Bend County Constable's Office; Tracey Scott of Myrtle Cruz, Inc.; Brian Edwards and Charlie Patout of LJA Engineering, Inc. ("LJA"); 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

There were no comments from the public.

GARBAGE AND RECYCLING MATTERS, INCLUDING RECEIVE PRESENTATION AND CONSIDER PROPOSAL FROM SIMPLE RECYCLING

Mr. Stevenson distributed and reviewed an informational packet, including a proposal from Simple Recycling for a residential curbside textile recycling program, which pays to the District \$0.01 per pound collected and is at no cost to the District. Following review and discussion, Director Hughes moved to approve the proposal from Simple Recycling and authorize ABHR to finalize a contract between the District and Simple Recycling for residential curbside textile recycling. Director Gates seconded the motion, which passed unanimously.

The Board reviewed a report from Best Trash, LLC on the recycled tonnage for October and November 2018, a copy of which is attached. It was noted that the amount of recycled materials in the District has increased since the switch to 48-gallon recycling carts.

## CONSENT AGENDA

The minutes of the January 10, 2019, regular Board meeting, and consultant reports were provided in advance of the meeting. After discussion, Director Hughes moved to remove agenda item 2.d. 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 January 10, 2019, regular Board meeting; (2) the operator's report; and (3) the Administrative Manager's report. Director Gates seconded the motion, which passed unanimously. Ms. Harrington noted that there was not a tax assessor/collector's report at this meeting because the January report was presented at the January 10, 2019, meeting. Copies of all reports are attached.

## DISTRICT SECURITY MATTERS

Constable Smith introduced himself and informed the Board that he is the new Precinct 2, Fort Bend County Constable. He reported on security matters in the District and informed the Board that the District security patrol officers have new uniforms and new striping on their patrol cars. He also informed the Board that the District can purchase area patrol signs at a cost of \$75 plus \$12 for the bracket for posting in the District. Following discussion, the Board requested that the District security patrol review the security section on the District website and provide comments.

## PARKS AND RECREATIONAL FACILITIES MATTERS

Mr. Patout presented and reviewed a parks and open space master plan update, a copy of which is attached. He reviewed the three different tasks LJA will be undertaking as part of the master plan.

The Board discussed the timing of the survey and executive summary to be provided to District residents regarding development of the 10-acre tract. Following discussion, the Board concurred to schedule an in-District special meeting on February 21, 2019, at 7:00 p.m. to discuss the results of the survey, and to schedule an in-District special meeting/workshop on March 2, 2019, from 9:00 a.m. to 11:00 a.m. to present a summary of the 10-acre tract survey to District residents and receive additional resident input.

## ITEMS REMOVED FROM THE CONSENT AGENDA

### TCEQ PHASE II SMALL MS4 GENERAL PERMIT, INCLUDING STATUS OF COMPLIANCE, NECESSARY TRAINING, AND PUBLIC COMMENT

Mr. Klump updated the Board on the District's Storm Water Management Plan ("SWMP"). He distributed and reviewed the Year 5 annual report for the SWMP and a summary of the Texas Commission on Environmental Quality's

("TCEQ") permit renewal process for the Texas Pollutant Discharge Elimination System General Permit no. TXR040000, Small MS4 (Phase II) General Permit, copies copy of which are attached.

Mr. Klump began his training session with the Board and consultants. He explained that the time between December 31, 2018, and the adoption date of the new permit, January 24, 2019, will be included in the Year 1 annual report for the new permit term. He continued his training by outlining the schedule of events for obtaining permit coverage under the new permit. He stated that the District will have 180 days from January 24, 2019, to obtain permit coverage. He added that permit coverage will include preparation of a new SWMP and submittal of a Notice of Intent (NOI) to the TCEQ. He explained that a public meeting will be held as necessary based on significant public interest generated by public comments. Mr. Klump further explained that once permit coverage is achieved, the District will execute the program elements of Year 1, as outlined in the District's new SWMP during the fourth quarter of 2019.

Following review and discussion, Director Hughes moved to approve the Year 5 annual SWMP report. Director Robinson seconded the motion, which carried unanimously.

#### 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 Hughes 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.

#### ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Ms. Harrington stated that in accordance with the District's Investment Policy, Mary Jarmon, as the District's bookkeeper and Investment Officer, is required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission. After review and discussion, Director Hughes moved to accept the disclosure statements and direct that they be filed appropriately and retained in the District's official records. Director Gates seconded the motion, which carried unanimously.

## ASSOCIATION OF WATER BOARD DIRECTORS

The Board discussed the recent Association of Water Board Directors ("AWBD") winter conference. Following discussion, Director Hughes moved to approve the reimbursement of eligible expenses related to the winter conference, which the bookkeeper confirmed were submitted in accordance with the District's Travel Reimbursement Guidelines, and authorize attendance of any interested Directors at the summer conference. Director Gates seconded the motion, which carried unanimously.

## ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Harrington updated the Board on the District's Post-Issuance Compliance Policy. She stated that no changes are recommended to the Policy at this time. No Board action was taken.

## 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 the water plant no. 1 booster pump variable frequency drive. He recommended the Board approve Pay Estimate No. 1 and Final in the amount of \$87,000 and accept the project.

Mr. Edwards gave an update on replacement of the bar screen at the wastewater treatment plant. He recommended the Board approve Pay Estimate Nos. 2 and 3 in the amounts of \$223,020 and \$73,980, respectively.

Mr. Edwards gave an update on potential drainage improvements and maintenance of Long Point Creek adjacent to the District. He reported that LJA and ABHR met with Fort Bend Independent School District ("FBISD"), the City of Missouri City, and Fort Bend County Drainage District on January 25, 2019, and they have all agreed to sign a document stating they have no objection to the District maintaining a portion of Long Point Creek. He added that the document will also state the District does not have the obligation to maintain it.

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 the property owner still has not signed 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; (2) approve Pay Estimate No. 1 and Final in the amount of \$87,000 for the water plant no. 1 booster pump variable frequency drive, payable to RESCO Electric, Ltd. and final acceptance of the

project; (3) approve Pay Estimate Nos. 2 and 3 in the amounts of \$223,020 and \$73,980, respectively, for replacement of the bar screen at the wastewater treatment plant, payable to T&C Construction, Ltd.; and (4) authorize LJA and ABHR to prepare a letter agreement regarding maintenance of Long Point Creek. Director Robinson seconded the motion, which passed unanimously.

### ROAD POWER MATTERS

Director Hughes and Ms. Harrington reported on a conference call on January 17, 2019, to discuss District road power matters and the Fort Bend County mobility plan. Discussion ensued and the Board requested that LJA confirm whether the County Assistance District plans to participate in funding any of the roads included in the District's road plan.

### STREET LIGHTS IN THE DISTRICT

Mr. Edwards gave an update on the proposed installation of street lights in the District and Fort Bend County Municipal Utility District No. 24 ("MUD 24") along Chimney Rock Road near the elementary school. He reported that the District's share of the installation costs for 33 street lights will be \$26,326. He added that two of the District's homeowners associations and MUD 24's homeowners association will be signing agreements for payment of the ongoing monthly electricity costs.

### ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off twelve uncollectable accounts totaling \$1,609.37 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 the rehabilitation of Water Well No. 3 is underway.

Mr. Browne reported that MDS has completed the Federal Emergency Management Agency ("FEMA") claim filing for the District.

Mr. Brown presented and reviewed a proposal from NTS Pumps, Motors and Controls ("NTS") to repair Lift Pump No. 2 at Lift Station No. 5 in the amount of \$4,185.

Mr. Browne requested authorization to repair Rotor No. 1 in the aeration basin in an amount not to exceed \$25,236.45.

Mr. Browne reviewed the District's Water Smart Application with the Board. He presented and reviewed a Resolution Approving Submittal of the Water Smart Application for Inclusion in the AWBD Water Smart Partners Program.

Following review and discussion, and based on the operator's recommendation, Director Robinson moved to (1) authorize MDS to write off twelve uncollectable accounts totaling \$1,609.37 and send them to a collection agency; (2) authorize NTS to repair Lift Pump No. 2 at Lift Station No. 5 at a cost of \$4,185; (3) authorize MDS to repair Rotor No. 1 in the aeration basin at a cost not to exceed \$25,236.45; and (4) approve the District's Water Smart Application for the AWBD Water Smart Partners Program and authorize MDS to submit the Resolution. 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 Robinson 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.

#### REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Ms. Kelly reported that the cost of landscaping services in the District by Native Landscaping is remaining the same for 2019. The Board discussed the trash that is accumulating on the north side of West Sycamore between the water plant and Teal Bend Boulevard. Following discussion, the Board concurred to have Ms. Kelly inform Native Landscaping to pick up the trash on the north side of West Sycamore, as discussed.

Ms. Kelly reported that the cost of the cleaning service for the Massey Administrative Building is increasing by \$15, noting that this is the first such cost increase since 2013.

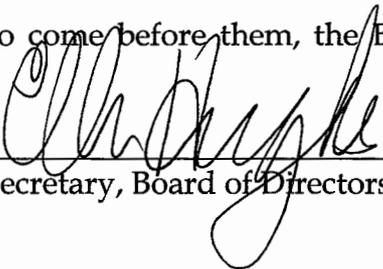
Ms. Kelly informed the Board that the back doors at the Massey Administrative Building need to be replaced. She presented and reviewed a proposal in the amount of

\$8,200 for frosted glass doors and informed the Board that she will be obtaining a second proposal.

Ms. Kelly presented and read a letter to the Board from a Teal Run Manor resident. Discussion ensued.

Ms. Kelly informed the Board of a District resident who was trying to reserve the Massey Administrative Building for May, June, or July 2019. She reported that even after informing the District resident that the dates were not available, he is requesting to come to the Massey Administrative Building to check the reservations. Following discussion, the Board concurred to have the District resident contact Director Hughes to discuss this matter further.

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

	<u>Page No.</u>
Simple Recycling packet .....	1
Report from Best Trash on the recycled tonnage for October and November 2018.....	1
Operator's report.....	2
Administrative Manager's report.....	2
Parks and open space master plan update.....	2
Year 5 SWMP annual report and summary of TCEQ permit renewal process .....	3
Bookkeeper's report.....	3
Engineer's report.....	4