

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

April 25, 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 25th day of April, 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 Tim Applewhite of McCall Gibson Swedlund Barfoot PLLC; Marcus Campbell of Time and Season; David Ciarella of Enhanced Energy Services of America, LLC ("Enhanced Energy"); Brittany Bogard of Assessments of the Southwest, Inc. ("ASW"); Tracey Scott of Myrtle Cruz, Inc.; Brian Edwards of LJA Engineering, Inc. ("LJA"); Calvin Browne of Municipal District Services, LLC ("MDS"); and Katie Sherborne and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Ciarella introduced himself to the Board. He presented and reviewed information on Enhanced Energy's services, a copy of which is attached.

CONSENT AGENDA

The minutes of the March 28, 2019, regular Board meeting, and April 3, 2019, 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 March 28, 2019, regular Board meeting, and April 3, 2019, special Board meeting; (2) the tax assessor/collector's report and delinquent tax report; (3) the operator's report; (4) re-approve the stormwater consulting proposal and related Master Services Agreement, which were approved at last month's regular meeting, but not specifically listed on the agenda; and (5) the Administrative Manager's report. Director Robinson seconded the motion, which passed unanimously. Copies of all reports are attached.

APPROVE AUDIT FOR FISCAL YEAR END DECEMBER 31, 2018

Mr. Applewhite presented and reviewed the audit for the fiscal year ending December 31, 2018. He reported to the Board that there is a total of approximately \$33,000 that the District under billed in tap fees. Mr. Browne noted that this error occurred after the installation of smart meters and the amendment of the District's Rate Order. Following discussion, the Board concurred to have MDS contact the builder, D.R. Horton, about paying the corrected amount for the tap fees. Following review and discussion, Director Hughes moved to approve the audit and management letter for the fiscal year ending December 31, 2018, subject to final review. Director Gates seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING MATTERS

There was no discussion on this agenda item.

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. He requested authorization to trim the trees, repair the bench slat, and refill the decomposed granite at the Teal Run Decomposed Granite Walking Trail at a cost of \$1,250. He also presented and reviewed an amendment to Time and Season's service agreement to add the Cambridge Falls walking trail at a cost of \$2,800 every other month beginning on June 1, 2019. Following discussion, Director Hughes moved to (1) authorize Time and Season to trim the trees, repair the bench slat, and refill the decomposed granite at the Teal Run Decomposed Granite Walking Trail in the amount of \$1,250, as discussed; and (2) approve the amendment to Time and Season's service agreement to add the Cambridge Falls walking trail in the amount of \$2,800 every other month. Director Gates seconded the motion, which passed unanimously.

The Board discussed the development of the 10-acre tract, including the steps for construction. Following discussion, the Board concurred to send the information on construction steps for the 10-acre tract by email to District residents and to include the construction steps on the District's website. The Board also concurred to continue to communicate with the Presidents of the homeowners associations in the District about the 10-acre tract development.

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

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. 2 to the contract with T&C Construction, Ltd. ("T&C") to decrease the contract amount by \$31,100 to adjust the final quantities based on the actual work completed. The Board determined that Change Order No. 2 is beneficial to the District. He also recommended the Board approve Pay Estimate No. 6 and Final in the amount of \$35,321.64 and accept the project.

Following review and discussion, and based on the engineer's recommendation, Director Hughes moved to (1) approve the engineer's report; (2) approve Change Order No. 2 in the amount of -\$31,100 as a decrease to the contract with T&C, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (3) approve Pay Estimate No. 6 and Final in the amount of \$35,321.64 payable to T&C for replacement of the bar screen at the wastewater treatment plant and final acceptance of the project. Director Gilmore seconded the motion, which passed unanimously.

ROAD POWER MATTERS

There was no discussion on this agenda item.

STREET LIGHTS IN THE DISTRICT

Mr. Edwards gave an update on the 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 Nino Corbett has indicated that Cambridge Falls is planning to change all street lights in Cambridge Falls to LED, including the new street lights along Chimney Rock Road. Mr. Edwards recommended that the District and MUD 24 have consistent streetlights along Chimney Rock Road instead of a combination of LED and non-LED lights. Following review and discussion, Director Hughes moved to approve adding LED lights along Chimney Rock Road. Director Gilmore seconded the motion, which passed unanimously.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off nine uncollectable accounts totaling \$1,073.41 and send them to a collection agency.

Mr. Browne reported that MDS received authorization from the Texas Department of Transportation to remove a rock dam located at Trammel Fresno serving the Area 10 detention pond, to allow the area to drain better.

Mr. Browne presented and reviewed a proposal for replacement of the upper section of the interconnect vault serving Fort Bend County Fresh Water Supply District No. 1 ("FWSD No. 1") at a cost of \$3,950.

Mr. Browne informed the Board that he is still compiling the data for the District's water rates.

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 \$1,073.41 and send them to a collection agency; and (2) authorize MDS to replace the upper section of the interconnect vault serving FWSD No. 1 in the amount of \$3,950. Director Robinson seconded the motion, which passed unanimously.

UPDATE ON INSTALLATION OF SMART METERS IN THE DISTRICT

There was no discussion on this agenda item.

APPROVE CONSUMER CONFIDENCE REPORT AND AUTHORIZE OPERATOR TO DELIVER CONSUMER CONFIDENCE REPORT AND FILE CERTIFICATE OF DELIVERY WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Mr. Browne reported that the District's drinking water is regulated by the Texas Commission on Environmental Quality ("TCEQ") to ensure the water is meeting all of the requirements as stated in the Federal Drinking Water Standards, which also requires the District to publish a Consumer Confidence Report to residents in the District regarding the status of the drinking water. A copy of the Consumer Confidence Report is attached to the operator's report. Following review and discussion, Director Hughes moved to approve the Consumer Confidence Report and authorize the operator to mail the Consumer Confidence Report and file the certificate of mailing with the TCEQ. Director Robinson seconded the motion, which passed unanimously.

CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM AND ADOPT IDENTITY THEFT PREVENTION PROGRAM AMENDMENT

Mr. Browne stated that the District's Identity Theft Prevention Program (the "Program") requires MDS to provide an annual written report evaluating the effectiveness of the Program, significant instances of identity theft detection, and any recommendations regarding changes to the Program. Mr. Browne reviewed the annual report on the District's Program, a copy of which was included in the operator's report. He stated that the procedures have been implemented, that the report indicates no significant incidents of identity theft detection, and that MDS is not recommending any changes to the Program at this time. Ms. Harrington added ABHR also is not recommending any Program changes at this time.

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 Robinson seconded the motion, which passed by unanimous vote.

DISTRICT SECURITY MATTERS

Director Thomas reported that the constable's office has resumed sending the security reports. The Board discussed the constable's vacation watch program in the District. Director Hughes noted that the Precinct 2 constable's office will provide this vacation watch program, despite the District being located in Precinct 1, if a District resident informs the Precinct 2 constable's office that they reside in the District. The Board requested that MDS provide an alphabetized list of the District streets to the Precinct 2 constable's office.

LETTER AGREEMENT WITH TEAL RUN GENERAL MAINTENANCE ASSOCIATION, INC.

Ms. Sherborne presented and reviewed a letter agreement between the District and Teal Run General Maintenance Association, Inc. ("Teal Run GMA") for the

District's contribution in the amount of \$8,542 for two gates at the District lift station and a portion of the fence being built along both sides of Teal Bend Boulevard. Following review and discussion, Director Hughes moved to approve the letter agreement between the District and Teal Run GMA. Director Gilmore seconded the motion, which passed by a vote of four to one, with Director Gates abstaining.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Director Gates informed the Board of issues with the air conditioning at the M.R. Massey Administration Building. He presented and reviewed a proposal from MTY Services to replace the compressor in the air conditioning unit at a cost of \$2,800. Following review and discussion, Director Hughes moved to authorize MTY Services to replace the compressor in the air conditioning unit in the amount of \$2,800. Director Gilmore seconded the motion, which passed by unanimous vote.

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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