

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

May 23, 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 23rd day of May, 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 Freddy Lopez and Rudy Inclan of Fort Bend County Emergency Services District No. 7 ("ESD7"); Sandy Lopez and Dianna Inclan, members of the public; Christie Leighton of Best Trash, LLC ("Best Trash"); Justin Klump of Storm Water Solutions, LP; Brittany Bogard of Assessments of the Southwest, Inc. ("ASW"); Tracey Scott of Myrtle Cruz, Inc.; Patrick Newton of LJA Engineering, Inc. ("LJA"); Calvin Browne and Ursalla Kelly of Municipal District Services, LLC ("MDS"); and Adisa Harrington and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Lopez addressed the Board and introduced himself and Mr. Inclan. He thanked the Board, on behalf of ESD7, for considering donating land in the District for a new fire department. Discussion ensued.

CONSENT AGENDA

The minutes of the April 25, 2019, regular Board meeting, and consultant reports were provided in advance of the meeting. After discussion, Director Hughes moved to acknowledge, after annual review, that there are no recommended revisions to the District's Procedures for Continuing Disclosure Compliance at this time, 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 April 25, 2019, regular Board meeting; (2) the tax assessor/collector's report and delinquent tax report; (3) the operator's report; (4) the District's annual report containing updated financial and operating data to be filed in accordance with

the continuing disclosure provisions contained in the bond resolutions pursuant to SEC Rule 15c2-12, subject to final review; and (5) the Administrative Manager's report. Director Robinson seconded the motion, which passed unanimously. Copies of all reports are attached.

TCEQ PHASE II SMALL MS4 GENERAL PERMIT

Mr. Klump presented the proposed Notice of Intent ("NOI") and Storm Water Management Program ("SWMP") prepared for the District in accordance with the requirements set forth in the TPDES General Permit No. TXR040000. He discussed the goals and responsibilities identified in the SWMP for future implementation during the five-year permit term and distributed copies of minimum control measures and elements included in the SWMP, copies of which are attached. Following review and discussion, Director Hughes moved to approve the NOI and SWMP, authorize submittal to the Texas Commission on Environmental Quality ("TCEQ"), and direct that the NOI and SWMP be filed appropriately and retained in the District's official records. Director Robinson seconded the motion, which was approved by unanimous vote.

GARBAGE AND RECYCLING MATTERS

Ms. Leighton presented and reviewed a report from Best Trash, LLC on the recycled tonnage in the District, a copy of which is attached. She also reported on garbage matters in the District. Discussed ensued.

PARKS AND RECREATIONAL FACILITIES MATTERS

Mr. Campbell reported that the trees have been trimmed, bare spots in the decomposed granite at the Teal Run Decomposed Granite Walking Trail have been refilled, and the tennis court windscreen will be repaired.

The Board discussed the development of the 10-acre tract, including the steps for construction. Director Gilmore presented and reviewed a message to be emailed to the District residents who have attended the previous sessions on the 10-acre tract and provided email addresses. Following discussion, the Board concurred to also post the message on the District's website. It was noted that the report on the construction steps will remain as a link on the District's website.

Mr. Newton presented and reviewed the landscape architect's report, a copy of which is attached. The Board discussed scheduling a meeting in the District with the landscape architect to discuss the existing facilities and proposed recommendations in order to complete the master plan. Following discussion, the Board concurred to schedule the special in-District Board meeting on June 18, 2019, at 6:30 p.m., with June

20, 2019, as the backup date, subject to room availability and the availability of the District's landscape architect.

Following further discussion, Director Hughes moved to re-approve the amendment to the Service Agreement with Time and Season, which was approved at last month's regular meeting, but not specifically listed on the agenda. Director Robinson seconded the motion, which passed 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 Gilmore moved to approve the bookkeeper's report, investment report and payment of the bills. Director Hughes seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

Director Hughes presented and reviewed a water/wastewater and garbage revenue/expense analysis, a copy of which is attached. Discussion ensued and the Board requested that Mr. Browne review the District's water and sewer rates, as well as those of neighboring districts, and make recommendations regarding potential adjustments to the District's rates.

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

The Board discussed fees of office and expenses in connection with the Association of Water Board Directors ("AWBD") summer conference. After discussion and consideration of the District's Travel Reimbursement Guidelines, Director Gilmore moved to authorize directors attending the conference to receive up to four per diems, three hotel nights, and reimbursement for reasonable meals. Director Gates seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

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

Mr. Newton 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 July 2020. He requested the Board authorize payment in the amount of

\$80,843.80 to Fort Bend County for the District’s remaining share of the utility relocation costs based on the final contract amount.

Mr. Newton gave an update on potential drainage improvements and maintenance of Long Point Creek adjacent to the District. He reported that Fort Bend County Drainage District and Fort Bend Independent School District approved and signed the letter agreement regarding maintenance of the section of Long Point Creek adjacent to the District, and the City of Missouri City responded that they had no objection but did not sign the letter agreement.

Mr. Newton gave an update on the tract of land located on West Sycamore Road adjacent to water plant no. 1 that is not being maintained. It was noted that the property owner previously agreed to allow the District to maintain the property but did not sign and return the acknowledgement letter sent by ABHR. Discussion ensued regarding the property now being a safety hazard because it is not being maintained.

Following review and discussion, and based on the engineer’s recommendation, Director Hughes moved to (1) approve the engineer’s report; (2) authorize payment in the amount of \$80,843.80 to Fort Bend County for the District’s remaining share of the utility relocation costs for the Trammel-Fresno Road Expansion Project; and (3) authorize CDC Unlimited, LLC (“CDC”) to maintain the property located on West Sycamore Road adjacent to water plant no. 1 that is not being maintained and has become a safety hazard. Director Gilmore seconded the motion, which passed unanimously.

ROAD POWER MATTERS

The Board discussed the road powers that were previously acquired in the District. Following discussion, the Board requested that LJA send a map of the applicable roads to Commissioner Vincent Morales’ office.

STREET LIGHTS IN THE DISTRICT

Mr. Newton 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 CenterPoint Energy has provided updated service agreements to be signed by the homeowners associations in the District and MUD 24 for 95-watt LED lights. He informed the Board that the District’s share to install the 95-watt LEDs on Chimney Rock Road is \$32,831 which is slightly higher than the previous quote to install 100-watt high pressure sodium lights at a cost of \$26,326. Mr. Newton added that the monthly service fee will now be \$15.89 per light instead of \$12.92 per light. He reported that MUD 24 has agreed to the installation of the 95-watt LEDs for their portion as long as Winfield Lakes Homeowners Association in MUD 24 agrees to the higher monthly cost. Following review and discussion, Director Hughes

moved to approve adding 95-watt LED lights along Chimney Rock Road, subject to confirmation that the adjacent homeowners associations will pay the monthly electricity expense. Director Gilmore seconded the motion, which passed unanimously.

ANNUAL REVIEW OF CDC MAINTENANCE AGREEMENT

Mr. Browne reported that no changes are needed to the CDC Maintenance Agreement or the current maintenance schedule at this time.

CRITICAL LOAD SPREADSHEET

Mr. Browne reviewed the Critical Load Spreadsheet (the "Spreadsheet") for District facilities with the Board. Ms. Harrington stated that the District's operator, engineer, and bookkeeper have reviewed the Spreadsheet and made any necessary revisions. Ms. Harrington added that the Spreadsheet for District's facilities will be filed with the appropriate governmental agencies as required by the Water Code. Following review and discussion, Director Hughes moved to authorize annual filing of the Spreadsheet and direct that it be filed appropriately and retained in the District's official records. Director Robinson seconded the motion, which passed unanimously.

ADDITIONAL OPERATING MATTERS

The Board discussed District water and sewer rate matters under the bookkeeper's report.

Mr. Browne requested authorization to write off 11 uncollectable accounts totaling \$2,967.03 and send them to a collection agency.

Mr. Browne reported that MDS is installing an automatic bar screed headworks platform around the railing at the wastewater treatment plant for safety purposes.

Mr. Browne reported that MDS is proposing to modify the area 9 Andover Farms outfall trash receptacle to prevent trash from going into the stormwater system. He requested that LJA look into this matter and provide plans and specifications for this project.

Mr. Browne presented and reviewed a proposal from Elite Pumps & Mechanical Services, LLC ("Elite Pumps") for repair of the wastewater treatment plant rotor #3 gearbox at a cost of \$4,522.29.

Mr. Browne reported that the well motor at water plant no. 1 was struck by lightning during the last storm. He presented and reviewed a proposal from C-C Water Services LLC ("C&C") to replace the well motor at a cost of \$41,542 or repair the well motor at a cost of \$33,127.

Following review and discussion, and based on the operator's recommendation, Director Robinson moved to (1) authorize MDS to write off 11 uncollectable accounts totaling \$2,967.03 and send them to a collection agency; (2) authorize Elite Pumps to repair the wastewater treatment plant rotor #3 gearbox in the amount of \$4,522.29; and (3) authorize C&C to replace the well motor in water plant no. 1 in the amount of \$41,542. Director Hughes seconded the motion, which passed unanimously.

UPDATE ON INSTALLATION OF SMART METERS IN THE DISTRICT

Mr. Browne reported that MDS is starting the second phase of the installation of the smart meters in the District.

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 Hughes seconded the motion, which passed by unanimous vote.

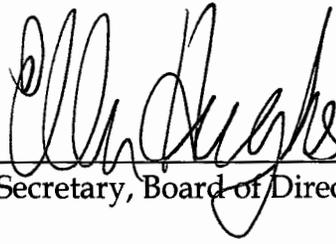
DISTRICT SECURITY MATTERS

The Board discussed the constable's vacation watch program in the District. Director Hughes reminded the Board 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 discussed how to communicate this information to the District residents. Following discussion, the Board concurred to have Director Gates follow up with Precinct 2 about this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Discussion ensued regarding the proposed ESD7 fire station and the Board requested that architectural control provisions be included in the conveyance documents for the fire station site, in addition to a reversion clause returning ownership of the site to the District in the event the site is no longer used as a fire station.

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

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