

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

July 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 July, 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 Kathryn Foss of Municipal Financial Services, LLC ("Municipal Financial Services"); David Ciarella of Enhanced Energy Services of America, LLC ("Enhanced Energy"); Brittany Bogard of Assessments of the Southwest, Inc. ("ASW"); Christie Leighton of Best Trash, LLC ("Best Trash"); Tracey Scott of Myrtle Cruz, Inc.; Brian Edwards of LJA Engineering, Inc. ("LJA"); Calvin Browne and Ursalla Kelly of Municipal District Services, LLC ("MDS"); Marcus Campbell of Time and Season; and Adisa Harrington and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

CONSENT AGENDA

The minutes of the June 27, 2019, regular Board meeting, and June 11, 2019, special Board meeting, and consultant reports were provided in advance of the meeting. After discussion, Director Hughes 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 June 27, 2019, regular Board meeting, and June 11, 2019, special 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 Gilmore seconded the motion, which passed unanimously. Copies of all reports are attached.

PUBLIC COMMENTS

There were no comments from the public.

EVO PRESENTATION

Ms. Foss presented and reviewed a proposal for preparation of an EVO Report, a copy of which is attached. She stated an EVO Report will show the District's financial, operational, and tax data and convert it into charts, graphs, and summaries, as well as providing data from similar districts, to assist directors with financial planning and budgeting. Ms. Foss informed the Board that the cost of an EVO Report will be an initial set-up fee in the amount of \$1,750 and an annual fee in the amount of \$3,950. Ms. Foss responded to questions from the Board. Following discussion, Director Hughes moved to engage Municipal Financial Services and authorize Municipal Financial Services to prepare an EVO Report for the District. Director Gilmore seconded the motion, which passed unanimously. The Board authorized Director Hughes to coordinate with Municipal Financial Services as needed with regard to preparation of the EVO Report.

DISTRICT ENERGY MATTERS

Mr. Ciarella discussed the District's current electricity contract with Reliant Energy and noted that the contract expires on June 30, 2020. He then presented and reviewed a pricing report proposal, a copy of which is attached. After review and discussion, Director Hughes moved to approve a contract with Direct Energy for a 60-month contract term to begin July 1, 2020, and to authorize Director Thomas to execute the contract. Director Robinson seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING MATTERS

Ms. Leighton discussed garbage and recycling matters in the District.

PARKS AND RECREATIONAL FACILITIES MATTERS

Ms. Kelly reported to the Board that the back doors at the M.R. Massey Administration Building (the "Administration Building") have been replaced.

The Board considered increasing the rates for District residents to rent the Administration Building. Following discussion, the Board concurred to not increase the rental rates at this time.

REPORT ON DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF DIRECTORS OF FORT BEND CENTRAL APPRAISAL DISTRICT ("FBCAD")

The Board discussed current candidates for water district nominee for the Board of Directors of the FBCAD. Following discussion, Director Hughes moved to adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the FBCAD, casting its 15 votes in favor of Michael Rozell and to direct that the Resolution be filed appropriately and retained in the District's official records. Director Gates seconded the motion, which carried unanimously.

SCHEDULE IN-DISTRICT MEETING FOR TERMINATION OF WATER SERVICE FOR DELINQUENT TAX ACCOUNTS

After discussion, the Board concurred to schedule an in-District meeting for termination of water service for delinquent tax accounts on September 19, 2019, at 7:00 p.m.

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.

ENGINEERING MATTERS

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

Mr. Edwards gave an update on the Wastewater Treatment Plant Oxidation Ditch Repair. He reviewed the tabulation of bids and reported that one bid was received. He recommended award of the contract for the project to the low bidder, T&C Construction, Ltd. ("T&C"), in the amount of \$64,000. Mr. Edwards noted that this contract will be paid by the insurance company for the contractor who damaged the oxidation ditch.

The Board discussed the proposed Fort Bend County Emergency Services District No. 7 ("ESD7") fire station and the conveyance documents that will include architectural control provisions for the fire station site as well as a reversion clause returning ownership of the site to the District in the event the site is no longer used as a fire station. Mr. Edwards requested the Board approve a proposal authorizing LJA to do a boundary survey of the proposed ESD7 site and obtain metes and bounds. Ms.

Harrington informed the Board that ABHR is reviewing the proposed conveyance documentation received from the attorney for ESD7.

Mr. Edwards gave an update on potential drainage improvements and maintenance of Long Point Creek adjacent to the District. He presented and reviewed a proposal for use of a drone to assist in identifying maintenance issues at a cost of \$3,000. Following discussion, the Board concurred to not proceed with using the drone at this time.

Following review and discussion, and based on the engineer's recommendation, Director Hughes moved to (1) approve the engineer's report; (2) award the contract for the Wastewater Treatment Plant Oxidation Ditch Repair, to T&C, the contractor whose bid, in the opinion of the Board, will result in the best and most economical completion of the project, in the amount of \$64,000; and (3) authorize LJA to do a boundary survey and obtain metes and bounds for the conveyance of the tract of land from the District to ESD7 for the proposed ESD7 fire station. Director Gates seconded the motion, which passed unanimously.

ROAD POWER MATTERS

Ms. Harrington informed the Board that ABHR is setting up a meeting with Fort Bend County Commissioners office ("FBC Commissioners") to discuss possible cost sharing between FBC Commissioners and the District for some of the roads. She added that LJA is compiling and putting together a chart and map for the FBC Commissioners. Ms. Harrington also discussed the District possibly holding a road bond election in November 2019. Following discussion, the Board concurred to not proceed with a road bond election at this time.

STREET LIGHTS IN THE DISTRICT

The Board discussed 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. Director Thomas reported that he has received confirmation that Winfield Lakes Community Association will pay its portion of the ongoing electricity cost of new streetlights to be installed adjacent to Winfield Lakes and will forward the executed agreement to ABHR.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off 15 uncollectable accounts totaling \$1,612.22 and send them to a collection agency.

Mr. Browne reported that the cattails were shredded in the area 9 and area 11 detention ponds using an AquaShred machine.

Mr. Browne informed the Board that the interconnect vault between the District and Fort Bend County Fresh Water Supply District No. 1 ("FWSD1") was damaged. He reported that FWSD1 has paid 50% of the repair cost as required.

Mr. Browne presented and reviewed a proposal in the amount of \$54,659.25 to replace commercial meters in the District with smart meters. The Board discussed whether to include the replacement of commercial meters in phase 2 of the smart meter installation. Following discussion, the Board concurred to replace commercial meters with smart meters at a total cost of \$47,764.25 as part of phase 2 of the smart meter installation but to hold off on replacement of a \$6,895 commercial meter.

Following review and discussion, and based on the operator's recommendation, Director Hughes moved to (1) authorize MDS to write off 15 uncollectable accounts totaling \$1,612.22 and send them to a collection agency; and (2) authorize MDS to replace commercial meters with smart meters at a total cost of \$47,764.25 as part of phase 2 of the smart meter installation. Director Robinson seconded the motion, which passed unanimously.

Director Gates reported that the lift station fence was completed today.

REVIEW WATER AND SEWER RATES AND, IF APPROPRIATE, AMEND RATE ORDER

This agenda item was deferred until the next Board meeting.

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 Robinson seconded the motion, which passed by unanimous vote.

DISTRICT SECURITY MATTERS

Director Gates reported that District security patrol is putting stickers on cars in the District reminding residents not to leave valuables in their cars.

2019 WATER CONSERVATION PROGRAM

Following discussion, the Board concurred to schedule the 2019 Water Conservation Program for October 12, 2019, from 10:00 a.m. to 12:00 p.m.

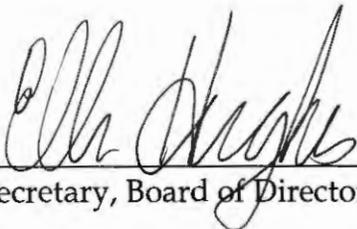
REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

There was no discussion on this agenda item.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Harrington distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 86th Regular Session of the Texas Legislature, a copy of which is attached.

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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