

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

February 23, 2017

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 February, 2017, 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; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); Sean Alvarez of Eco Waste & Recycling ("Eco"); Marcus Campbell of Time and Season; Tracey Scott of Myrtle Cruz, Inc.; Brian Edwards and Jacob Clark of LJA Engineering, Inc. ("LJA"); Rhonda Patterson of Assessments of the Southwest, Inc.; Calvin Browne and Ursalla Kelly of Municipal District Services, LLC ("MDS"); Trisha Frederick, a former resident of the District and volunteer coordinator for the 2017 Water Conservation Program (by telephone); and Adisa Harrington and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

CONSENT AGENDA

The minutes of the January 12, 2017, regular Board meeting, and December 13, 2016, and January 19, 2017, special Board meetings, and consultant reports were provided in advance of the meeting. After discussion, Director Robinson moved to remove agenda item 2.e. from the consent agenda 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 12, 2017, regular Board meeting, and December 13, 2016, and January 19, 2017, special Board meetings; (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.

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 Stormwater Management Plan ("SWMP"). He distributed and reviewed the Year 3 annual report for the SWMP, including a summary of Year 4 training and goals under the SWMP, copies of which are attached. He presented a utility bill insert regarding discharges of pollutants into the storm sewer system, a copy of which is also attached. Mr. Klump began his training session with the Board and other consultants. Following review and discussion, Director Robinson moved to approve the Year 3 annual SWMP report, the Year 4 goals, and the utility bill insert for inclusion in customer water bills. Director Gilmore seconded the motion, which carried unanimously.

PARKS AND RECREATIONAL FACILITIES MATTERS

Mr. Campbell updated the Board on the Winfield Lakes Tennis Courts/Andover Farms Park Improvements project (the "Park Project"). He requested authorization to install a handle and metal plate on the gate used to enter the Winfield Lakes tennis court at a cost of \$650. He also requested authorization to install a wind screen at a cost of \$8,400 at the Winfield Lakes tennis court. The Board next discussed adding a backboard to the Winfield Lakes tennis court. Discussion ensued regarding the various sizes of backboards and the associated costs. Following discussion, the Board concurred to install an 8-foot by 8-foot backboard at a cost of \$1,999.99, plus shipping and handling.

Mr. Campbell requested authorization to remove graffiti at the back culvert of the detention pond on the Estates of Teal Run Concrete Walking Trail and by the lift station on the Teal Run Decomposed Granite Walking Trail at a total cost not to exceed \$2,250.

Following review and discussion, Director Hughes moved to (1) authorize Time and Season to install a handle and metal plate on the gate used to enter the Winfield Lakes tennis court at a cost not to exceed \$650; (2) authorize Time and Season to install a wind screen at the Winfield Lakes tennis court at a cost not to exceed \$8,400; (3) authorize Time and Season to install an 8-foot by 8-foot backboard at the Winfield Lakes tennis court at a cost not to exceed \$1,999.99, plus shipping and handling; and (4) authorize Time and Season to remove the graffiti at the back culvert of the detention pond on the Estates of Teal Run Concrete Walking Trail and by the lift station on the Teal Run Decomposed Granite Walking Trail at a total cost not to exceed \$2,250. Director Robinson seconded the motion, which passed unanimously. A copy of Time and Season's report is attached.

Director Thomas informed the Board that he met with the Winfield Lakes homeowner's associations last night. He reported that they discussed the access cards for the new tennis court as well as the waiver and release form that is still being finalized.

Mr. Clark presented and reviewed the landscape architect's report, a copy of which is attached.

Mr. Clark gave an update on the sidewalk along Teal Bend Boulevard. He reviewed the tabulation of bids and reported that five bids were received. He recommended award of the contract for the project to the low bidder, Division III + Constructors, Inc. ("Division III"), in the amount of \$46,050, which includes the base bid and alternate bid item.

Following review and discussion, and based on the landscape architect's recommendation, Director Gilmore moved to (1) approve the landscape architect's report; and (2) award the contract for the sidewalk along Teal Bend Boulevard to Division III, the contractor whose bid, in the opinion of the Board of Directors, will result in the best and most economical completion of the project, in the amount of \$46,050, which includes the base bid and alternate bid item. Director Hughes seconded the motion, which passed unanimously.

Ms. Harrington reported that the developer for Cambridge Falls contacted her about ongoing litter issues around the Cambridge Falls detention ponds. Discussion ensued regarding adding additional trash cans and no-littering signs around the Cambridge Falls detention ponds. Following discussion, the Board requested that LJA inspect the ponds and provide recommendations for the installation of additional trash cans and no-littering signs around the ponds.

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.

ASSOCIATION OF WATER BOARD DIRECTORS

The Board discussed the recent Association of Water Board Directors winter conference. Following discussion, Director Hughes moved to approve the reimbursement of eligible expenses related to the 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 Gilmore seconded the motion, which carried unanimously.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Gilmore moved to adopt a Resolution Concerning Exemptions from Taxation, granting a \$10,000 exemption for persons 65 years of age or older or disabled and rejecting general homestead and travel trailer exemptions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gates seconded the motion, which carried 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 the Teal Run, Section 2 Sanitary Sewer Rehabilitation project. He recommended the Board approve Pay Estimate No. 3 and Final in the amount of \$44,671.75. He also recommended the Board approve Change Order No. 1 for a decrease of \$36,839.50 to the contract amount.

Mr. Edwards gave an update on the Lift Station Generators. He recommended the Board approve Pay Estimate No. 2 in the amount of \$6,568.20.

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. 1 to deduct \$36,839.50 from the contract for the Teal Run, Section 2 Sanitary Sewer Rehabilitation project due to adjustments in the final quantities for the work completed; (3) approve Pay Estimate No. 3 and Final in the amount of \$44,671.75 payable to IPR South Central, LLC for the Teal Run, Section 2 Sanitary Sewer Rehabilitation project; and (4) approve Pay Estimate No. 2 in the amount of \$6,568.20 payable to McDonald Municipal and Industrial for the Lift Station Generators. Director Robinson seconded the motion, which passed unanimously.

DISTRICT SECURITY MATTERS

Director Thomas discussed security matters in the District.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off 42 uncollectable accounts totaling \$6,197.07 and send them to a collection agency.

Mr. Browne presented and reviewed a proposal from CFI Services, Inc. ("CFI") in the amount of \$4,791.88 for replacement of the de-chlorination pump. He also presented and reviewed a proposal from CFI in the amount of \$3,446.55 to replace the chorine scale.

Following review and discussion, Director Robinson moved to (1) authorize MDS to write off 42 uncollectable accounts totaling \$6,197.07 and send them to a collection agency; (2) authorize CFI to replace the de-chlorination pump at a cost of \$4,791.88; and (3) authorize CFI to replace the chorine scale at a cost of \$3,446.55. Director Hughes seconded the motion, which passed unanimously.

UPDATE ON STORM SEWER REPAIR

There was no discussion on this agenda item.

PROPOSAL REGARDING FENCING OPTIONS ON MONARCH BLUE

Mr. Browne updated the Board regarding damage to the fence on Monarch Blue along an overflow easement caused by individuals kicking out boards in the fence. He reported that a small gap in the fence will be left open to provide an access way to walk through the fence, which hopefully will deter individuals from kicking out fence boards in the future.

DISCUSS SMART METERS AND TAKE APPROPRIATE ACTION

There was no discussion on this agenda item.

RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART APPLICATION

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 Association of Water Board Directors Water Smart Partners Program.

Following discussion, Director Robinson moved to approve the District's Water Smart Application for the Association of Water Board Directors Water Smart Partners Program and authorize MDS to submit the Resolution. Director Hughes seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Browne presented a list of delinquent customers 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.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

There was no discussion on this agenda item.

UNLIMITED TAX REFUNDING BONDS, SERIES 2017

Ms. Williams distributed and reviewed an updated analysis of the refunding prepared by Rathmann, a copy of which is attached.

ACKNOWLEDGE DISCLOSURE LETTERS PROVIDED UNDER THE MUNICIPAL SECURITIES RULEMAKING BOARD RULES

Ms. Williams stated that pursuant to the Municipal Securities Rulemaking Board requirements, Rathmann, as financial advisor to the District, has provided a written disclosure to the Board of Directors related to the District's Unlimited Tax Refunding Bonds, Series 2017 ("Series 2017 Refunding Bonds"). The Board of Directors directed that the written disclosure be filed appropriately and retained in the District's official records.

AUTHORIZE TAX ASSESSOR/COLLECTOR TO REQUEST CERTIFICATE OF ASSESSED VALUE AS OF JANUARY 1 FROM THE APPRAISAL DISTRICT

Ms. Harrington stated that the District's tax assessor/collector will need to request a Certificate of Assessed Value as of January 1, 2016, from the Fort Bend Central Appraisal District in connection with the Series 2017 Refunding Bonds.

ENGAGE RATING AGENCY TO PERFORM CREDIT RATING ANALYSIS FOR SERIES 2017 UNLIMITED TAX REFUNDING BONDS

Ms. Williams discussed engaging a rating agency to perform a credit rating analysis for the Series 2017 Refunding Bonds. Following discussion, the Board concurred to engage Moody's Investors Service to perform a credit rating analysis for the Series 2017 Refunding Bonds.

APPROVE PRELIMINARY OFFICIAL STATEMENT FOR THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2017

Ms. Williams reviewed the Preliminary Official Statement for the Series 2017 Refunding Bonds. After review and discussion, Director Hughes moved to approve

the Preliminary Official Statement, subject to final attorney review. Director Robinson seconded the motion, which passed by unanimous vote.

DESIGNATE UNDERWRITER

The Board considered selecting an underwriter to purchase the Series 2017 Refunding Bonds. Following review and discussion, Director Hughes moved to designate SAMCO Capital Markets, Inc. ("SAMCO") and RBC Capital Markets ("RBC") as co-underwriters of the Series 2017 Refunding Bonds, with SAMCO as the senior underwriter and RBC as the junior underwriter. Director Robinson seconded the motion, which passed by unanimous vote.

APPOINT PAYING AGENT/REGISTRAR AND ESCROW AGENT

The Board considered appointing a Paying Agent/Registrar and Escrow Agent for the Series 2017 Refunding Bonds. Following review and discussion, Director Hughes moved to appoint The Bank of New York Mellon Trust Company, N.A., as Paying Agent/Registrar and Escrow Agent for the Series 2017 Refunding Bonds. Director Robinson seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2017, AND AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE SALE OF THE BONDS

Ms. Harrington presented a Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2017, and discussed the parameters for the refunding bond sale to be designated by an authorized representative of the District. After review and discussion, Director Hughes moved to adopt the Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2017, and authorized Director Hughes to act as the District's authorized representative and Director Gates as an alternate if Director Hughes is not available. The authorized representative will select the specific maturities or series of the District's outstanding bonds to be refunded and perform any actions needed to effect the sale of the Series 2017 Refunding Bonds and execute the Bond Purchase Agreement and any other necessary documents, so long as the net present value savings of the refunding, compared to the principal amount of the bonds being refunded, is at least 5% and the principal amount does not exceed \$7,800,000. Director Robinson seconded the motion, which passed by unanimous vote.

AUTHORIZE THE DISTRICT'S ATTORNEY AND THE FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2017

Ms. Harrington discussed the necessary action to be taken by the District's attorney and financial advisor in connection with the issuance of the Series 2017 Refunding Bonds. After review and discussion, Director Hughes moved to authorize the District's attorney and financial advisor to take all necessary action in connection with the issuance of the District's Series 2017 Refunding Bonds and direct that any documents be filed appropriately and retained in the District's official records, including approval of the following documents: (1) notification regarding underwriters; (2) an amendment to the District's contract with Rathmann to include a 1.25% cap on fiscal agent fees for refunding bond sales; (3) independent municipal advisor letters from the underwriters; and (4) Rule G-17 letters from the underwriters. Director Robinson seconded the motion, which passed by unanimous vote.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Harrington presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate"). After review and discussion, Director Hughes moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Robinson seconded the motion, which passed by unanimous vote.

APPROVE CHECK TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving the check to the Attorney General relating to bond issue transcript review. After review and discussion, Director Hughes moved to approve the check to the Attorney General relating to bond issue transcript review. Director Robinson seconded the motion, which passed by unanimous vote.

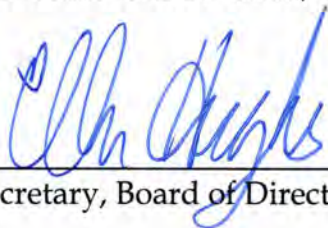
2017 WATER CONSERVATION PROGRAM

The Board scheduled the 2017 Water Conservation Program for April 1, 2017, from 10:00 a.m. to 12:00 p.m. and discussed the details of the event. Mr. Frederick participated in the discussion by telephone.

There being no further business to come before them, the Board concurred to adjourn the meeting.

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Page <u>No.</u>
Tax assessor/collector's report.....	1
Delinquent tax report.....	1
Operator's report.....	1
Administrative Manager's report	1
Year 3 annual report for the SWMP.....	2
Summary of Year 4 training and goals under the SWMP	2
Utility bill insert.....	2
Time and Season's report.....	2
Landscape architect's report.....	3
Bookkeeper's report.....	3
Engineer's report.....	4
Rathmann Refunding Bond Analysis.....	6