

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

April 27, 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 27th day of April, 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 except Director Thomas, thus constituting a quorum.

Also present at the meeting were Nino Corbett of Compass Land Development, LLC; Tim Applewhite of McCall Gibson Swedlund Barfoot PLLC; Marcus Campbell of Time and Season; Tracey Scott of Myrtle Cruz, Inc.; Bill Ehler of LJA Engineering, Inc. ("LJA"); Donna Bryant of Assessments of the Southwest, Inc.; Calvin Browne and Ursalla Kelly of Municipal District Services, LLC ("MDS"); Monique Hayes of Eco Waste & Recycling ("Eco"); and Katie Sherborne 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 March 23, 2017, regular Board meeting and April 1, 2017, special Board meeting, and consultant reports were provided in advance of the meeting. After discussion, Director Robinson 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 23, 2017, regular Board meeting and April 1, 2017, 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 Hughes seconded the motion, which passed unanimously. Copies of all reports are attached.

APPROVE AUDIT FOR FISCAL YEAR END DECEMBER 31, 2016

Mr. Applewhite presented and reviewed the audit for the fiscal year ending December 31, 2016. Following review and discussion, Director Hughes moved to approve the audit and management letter for the fiscal year ending December 31, 2016, subject to final review. Director Gates seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING MATTERS, INCLUDING DISCUSS RENEWAL OF ECO WASTE & RECYCLING CONTRACT

The Board reviewed the monthly garbage and recycling report from Eco, a copy of which is attached. Discussion ensued regarding renewal of the District's garbage and recycling contract with Eco, which is scheduled to auto-renew August 31, 2017 for an additional one-year term. No Board action was taken.

PARKS AND RECREATIONAL FACILITIES MATTERS

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

Mr. Ehler gave an update on the sidewalk along Teal Bend Boulevard. Discussion ensued regarding the timing for completion of the sidewalk.

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. Mr. Campbell requested authorization to replace the LED lights inside the playground area at M.R. Massey Park.

Following review and discussion, Director Robinson moved to (1) approve the landscape architect's report; and (2) authorize Time and Season to replace the LED lights inside the playground area at M.R. Massey Park, with Director Gilmore being the Board representative to give final approval for the cost of the LED lights. Director Gates seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT IN THE DISTRICT

Mr. Corbett reported on development in the District.

Mr. Ehler reported that Fort Bend County Municipal Utility District No. 24 ("FB24") has been approached regarding a request for the annexation of 134 acres of land into FB24. He added the tract is located northwest of FB24. Discussion ensued.

Mr. Ehler also reported on a request for the annexation of 5.2 acres of land into the District. Discussion ensued.

ENGINEERING MATTERS

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

Mr. Ehler gave an update on the South Post Oak Boulevard extension. He reported that Fort Bend County ("FBC") is requesting authorization to access the District property adjacent to the proposed roadway to perform an environmental survey and field survey. Discussion ensued regarding authorizing ABHR to prepare an agreement granting FBC access to the District's property, if necessary.

Mr. Ehler gave an update on Bond Application No. 14. He requested the Board authorize MDS to do a preliminary inspection of District facilities in anticipation of the upcoming pre-purchase inspection for the pending bond sale.

Mr. Ehler gave an update on water, sewer, and drainage facilities to serve Cambridge Falls, Section 10. He requested approval to abandon the 0.152-acre drainage easement previously conveyed to the District for a drainage swale included in the Cambridge Falls, Section 6 project because the drainage easement is no longer needed.

Mr. Browne requested authorization to replace the bar screen on wastewater treatment plant no. 1. Discussion ensued.

Following review and discussion, and based on the engineer's recommendation, Director Hughes moved to (1) approve the engineer's report; (2) authorize ABHR to prepare an agreement granting FBC access to the District's property adjacent to the proposed roadway to perform an environmental survey and field survey, contingent upon ABHR determining if the agreement is necessary, as discussed; (3) approve abandonment of the 0.152-acre drainage easement previously conveyed to the District for a drainage swale included in the Cambridge Falls, Section 6 project; and (4) authorize LJA to research replacement of the bar screen for wastewater treatment plant no. 1 and bring a proposal to the next Board meeting. Director Robinson seconded the motion, which passed unanimously.

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 Gates moved to approve the bookkeeper's report, investment report and payment of the bills. Director Robinson seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

UPDATE ON PATIO ENCROACHMENT ONTO DISTRICT DETENTION FACILITIES
IN CAMBRIDGE FALLS

Ms. Sherborne updated the Board on the patio at 2023 Lansing Cove Drive that extends into the detention pond area owned by the District, which was installed without the District's approval. Mr. Browne reported the portion of the patio on the detention pond area owned by the District has not been removed. He added that the homeowner has until April 30, 2017, to remove it. Discussion ensued regarding terminating the homeowner's water service pursuant to the District's Rate Order if the homeowner fails to comply prior to the deadline. Following discussion, Director Hughes moved to authorize ABHR to send a letter to the homeowner, after April 30, 2017, if the homeowner has not complied as requested, giving the homeowner ten (10) days notice to remove the portion of the patio on the detention pond area owned by the District prior to terminating the homeowner's water pursuant to the District's Rate Order, and to authorize the District operator to place a door hanger on the homeowner's door giving ten (10) days notice. Director Robinson seconded the motion, which passed unanimously.

ADDITIONAL OPERATING MATTERS

Mr. Browne requested authorization to write off four uncollectable accounts totaling \$480.34 and send them to a collection agency.

Mr. Browne presented and reviewed a proposal from NTS Pumps, Motors and Controls ("NTS") in the amount of \$6,387 to repair lift pump no. 1 at the on-site lift station.

Mr. Browne reported that MDS conducted the annual fire hydrant testing and painted and repaired fire hydrants at a total cost of \$22,771. A copy of the comprehensive report is attached to the operator's report.

Mr. Browne requested approval of the 2016 annual water audit report.

Mr. Browne reported the District's drinking water is regulated by the 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. He requested the Board authorize MDS to prepare and distribute the Consumer Confidence Report to residents. A copy of the Consumer Confidence Report is attached to the operator's report.

Following review and discussion, Director Robinson moved to (1) authorize MDS to write off four uncollectable accounts totaling \$480.34 and send them to a collection agency; (2) authorize NTS to repair lift pump no. 1 at the on-site lift station at a cost of \$6,387; (3) approve the repainting and repair of the fire hydrants at a cost of

\$22,771; (4) approve the 2016 annual water audit report; and (5) 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 Gates seconded the motion, which passed unanimously.

DISCUSS SMART METERS AND TAKE APPROPRIATE ACTION

There was no discussion on this agenda item.

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 is included in the operator's report. He stated that the procedures have been implemented. He stated that MDS is not recommending any changes to the Program at this time. Ms. Sherborne 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 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.

DISTRICT SECURITY MATTERS

There was no discussion on this agenda item.

2017 WATER CONSERVATION PROGRAM

The Board discussed the 2017 Water Conservation Program that took place on April 1, 2017.

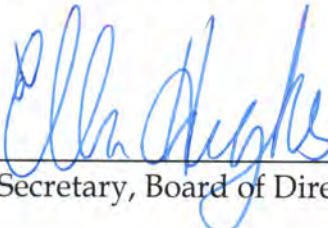
REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

There was no discussion on this agenda item.

REPORT ON SERIES 2017 AND 2017A REFUNDING BOND ISSUES

Ms. Sherborne updated the Board on the status of the Series 2017 and Series 2017A Unlimited Tax Refunding Bonds.

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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