

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 23

August 24, 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 24th day of August, 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 Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); Clinton Wong and Eric Ungar of Skymark Development Co., Inc. ("Skymark"); Marcus Campbell of Time and Season; Tracey Scott of Myrtle Cruz, Inc.; Brian Edwards and Charlie Patout of LJA Engineering, Inc. ("LJA"); David Patterson 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 Adisa Harrington and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

CONSENT AGENDA

The minutes of the July 27, 2017, regular 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 July 27, 2017, regular 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.

PUBLIC COMMENTS

Mr. Wong addressed the Board regarding a request by Skymark for the annexation of 161 acres of land into Fort Bend Municipal Utility District No. 24 ("FB24"). Discussion ensued regarding the regional wastewater treatment plant owned and operated by the District and the possibility that FB24 will need to build a new wastewater treatment plant to serve one or more tracts that may be annexed into FB24.

Mr. Wong requested temporary water and sewer capacity from the District in order to serve a portion of his tract until the new wastewater treatment plant can be built. Discussion ensued regarding the 50 to 60 connections that Skymark currently has reserved within the District for two undeveloped tracts owned by Skymark in the District, and whether to allow Skymark to temporarily divert those connections to serve the tract(s) that may be annexed into FB24. The Board requested that the District's engineer confirm the number of connections reserved to Skymark in the District, and that Skymark present a formal request and proposed agreement for consideration at the next regular Board meeting.

The Board also discussed the possibility of rerating the wastewater treatment plant to increase the plant's capacity. Following discussion, the Board concurred to have LJA begin researching the costs and procedures for rerating the District's wastewater treatment plant.

#### GARBAGE AND RECYCLING MATTERS

Ms. Hayes discussed with the Board the impending Hurricane Harvey and the impact the hurricane may have on the District's trash schedule. Following discussion, the Board and Ms. Hayes concurred to cancel trash pick up in the District for this Saturday for the safety of Eco's employees. A copy of the monthly garbage and recycling report from Eco is attached.

#### 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 presented and reviewed a proposal in the amount of \$9,000 for improvements in accordance with the Americans with Disabilities Act ("ADA") for the Winfield Lakes Tennis Courts/Andover Farms Park Improvements project (the "Park Project"). Following review and discussion, Director Robinson moved to approve the proposal in the amount of \$9,000 from Time and Season for ADA improvements for the Park Project, as discussed.

Mr. Patout presented and reviewed the landscape architect's report, a copy of which is attached, and updated the Board on the Park Project. Mr. Patout requested authorization from the Board to pay the amount of retainage that was withheld from Housing and Land Development Corp. dba IKLO Construction ("IKLO") for the Park Project.

Mr. Patout gave an update on the sidewalk along Teal Bend Boulevard. He reported that after investigating the damaged backflow preventer owned by the Teal Run General Maintenance Association further, LJA determined that the contractor, Division III Constructors, Inc. ("Division III") was not responsible for the damage to the

backflow preventer. Discussion ensued. Mr. Patout recommended the Board approve Pay Estimate No. 2 and Final in the amount of \$10,410 and accept the project.

Following review and discussion, Director Hughes moved to (1) approve the landscape architect's report; (2) authorize LJA to pay the retainage that was being withheld to IKLO, subject to final approval from ABHR; and (3) approve Pay Estimate No. 2 and Final in the amount of \$10,410 payable to Division III, for the sidewalk along Teal Bend Boulevard and final acceptance of the project. 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 Gates 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.

#### DISCUSS PRELIMINARY BUDGET FOR FISCAL YEAR END DECEMBER 31, 2018

The Board reviewed and discussed a draft budget for fiscal year end December 31, 2018, which included adding an additional security officer in the District. No Board action was taken.

#### DISCUSS 2017 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE PUBLICATION OF NOTICE OF PUBLIC HEARING

Ms. Williams presented a tax rate analysis of the recommended District tax rate, a copy of which is attached. Discussion ensued and the Board determined to publish notice of the 2017 tax rate at \$0.82 per \$100 of assessed valuation, with \$0.57 allocated to debt service and \$0.25 allocated to maintenance and operations. Following review and discussion, Director Hughes moved to (1) set a public hearing date to adopt the tax rate on September 28, 2017, at ABHR; and (2) authorize the tax assessor/collector to publish notice of the tax hearing and the proposed rate as required by law. Director Robinson seconded the motion, which passed unanimously.

#### ENGINEERING MATTERS

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

Mr. Edwards gave an update on construction of the water plant no. 1 booster pump variable frequency drive ("VFD"). He requested the Board authorize LJA to design the project.

Mr. Edwards gave an update on construction of water plant no. 1 ground storage tank no. 2 ("ground storage tank no. 2"). He requested the Board authorize LJA to design the project. He also requested the Board authorize LJA to obtain a proposal for a geotechnical study.

Mr. Edwards gave an update on water plant nos. 1 and 2 recoating. He requested the Board authorize LJA to design the project.

Mr. Edwards further discussed the process for rerating the District's wastewater treatment plant.

Following review and discussion, and based on the engineer's recommendation, Director Hughes moved to (1) approve the engineer's report; (2) authorize LJA to design the VFD; (3) authorize LJA to design ground storage tank no. 2; (4) authorize LJA to obtain a proposal for a geotechnical study for ground storage tank no. 2; (5) authorize LJA to design water plant nos. 1 and 2 recoating; and (6) authorize LJA to research the costs and procedures associated with rerating the District's wastewater treatment plant, as discussed. Director Robinson seconded the motion, which passed unanimously.

#### ADDITIONAL OPERATING MATTERS

Mr. Browne discussed the emergency preparedness plan within the District for the impending Hurricane Harvey.

Mr. Browne requested authorization to write off 25 uncollectable accounts totaling \$4,164.11 and send them to a collection agency.

Following review and discussion, Director Hughes moved to authorize MDS to write off 25 uncollectable accounts totaling \$4,164.11 and send them to a collection agency. 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.

#### 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 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.

AMEND RATE ORDER

The Board deferred this agenda item until the next Board meeting.

RE-APPROVE PROPOSAL FROM OFF CINCO FOR WEBSITE DESIGN AND MANAGEMENT AND RELATED SERVICE AGREEMENT

Ms. Harrington reviewed the proposal from Off Cinco for managing the District's website, at a cost of \$1,900 as a one-time fee for layout of the website, \$300 each month for maintenance of the website, and \$5 each month for one email account with unlimited storage, for a total cost of \$305 each month, which was approved at last month's regular meeting but not specifically listed on the agenda. Following review and discussion, Director Hughes moved to re-approve the proposal from Off Cinco for managing the District's website and the related service agreement. Director Robinson seconded the motion, which passed unanimously.

DISTRICT SECURITY MATTERS, INCLUDING APPROVE INTERLOCAL AGREEMENT FOR ADDITIONAL LAW ENFORCEMENT SERVICES

Director Thomas discussed the costs associated with adding an additional security officer in the District. Discussion and approval of the Interlocal Agreement for Additional Law Enforcement Services was deferred until the next Board meeting.

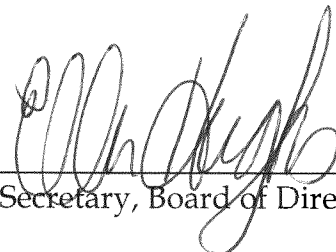
REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Director Hughes reported that the banners were ordered for the homeowners' associations for the upcoming National Night Out.

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

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