

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors

February 22, 2017

The Board of Directors (“Board”) of Fort Bend County Municipal Utility District No. 118 (“District”) met at the office of the Greater Fort Bend EDC, One Fluor Daniel Drive, Sugar Land, Fort Bend County, Texas on February 22, 2017 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Jason Kirby, President
Alex Reid Garrett, Vice President
Dennis Rooney, Secretary
James A. Waltz, Assistant Secretary
Jaime Benoliel, Director

and the following absent:

None.

Also present were Debbie Arellano, Breah Campbell, Dana Davis, Michael Gurka, Romain Barski, G. Taylor Goodall, Jr., and members of the public.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. The Board considered the minutes of the meeting held on January 10, 2017. After brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.

2. The Board considered adoption of formal procedures for providing public comment. After a brief review and discussion, upon motion duly made and seconded, the Board adopted the procedures as presented.

3. The Board next considered the tax assessor/collector’s report, copy attached. The District’s 2016 taxes are 95.4% collected, and the District collected \$2,827,607.81 during the month. After a brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the tax assessor/collector’s report as presented and authorized disbursement of the items listed therein.

4. Breah Campbell presented the operator’s report, copy attached. The District accounted for 97.6% of water produced and maintained 1,384 connections. After discussion regarding the need for replacement of the wastewater treatment plant chlorine blower, the Board unanimously approved moving forward with the replacement. After further discussion regarding the need for repair of an SBR blower, the Board unanimously approved moving forward with the repair. Ms. Campbell then presented the identity theft report and reviewed the routine maintenance items with the Board.

The operator then submitted a list of delinquent accounts to the Board for termination of utility service and stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. The operator noted that the accounts listed have neither attended the Board meeting nor contacted the operator's office or the District to contest or explain the charges. After discussion, upon motion duly made, seconded and unanimously carried, the Board authorized the District's operator to proceed with termination of utility service to said accounts pursuant to the provisions of the District's Rate Order and approved the operator's report as presented.

5. The attorney noted that the District was required to review the FTC identity theft red flag program on an annual basis. The attorney recommended that no changes be made to the program. Accordingly, upon motion duly made, seconded and unanimously carried, the Board voted unanimously to adopt the attached Resolution Affirming Identity Theft Prevention Program.

6. Dana Davis presented a bookkeeper's report, copy attached. The District's operating fund balance is \$3,569,688.51, and the capital projects fund balance is \$1,527,905.50. The District's debt service fund balance is \$5,009,642.60. The Board tabled amendment of the budget at the request of Ms. Davis. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the bookkeeper's report as presented and authorized the disbursements contained therein.

7. There was presented the attached Resolution Authorizing Petition Challenging Appraisal Records. The attorney noted that the preliminary tax roll comes out in May, and the tax assessor has a limited amount of time to review the roll and challenge any errors or omissions that are found. The tax assessor should be authorized to make such challenges on the District's behalf. Upon unanimous vote, the Board approved the resolution as presented.

8. There was presented the attached Order Levying Additional Penalty for Delinquent Taxes. The order levies a 20% penalty on 2016 delinquent taxes for business personal property on April 1, 2017 and for real property on July 1, 2017. Upon unanimous vote, the order was adopted as presented.

9. In the absences of a representative from Champions Hydro-Lawn, the President continued with the agenda.

10. Michael Gurka presented an engineer's report, copy attached. After discussion regarding the Year 3 Annual MS-4 report, the Board unanimously authorized submission of the report to the TCEQ. Mr. Gurka presented an updated list of swimming pool investigations, as well as stormwater pollution permission plan inspections. There was discussion regarding the need to move a water line adjacent to a developing public storage facility due to the fact that the line is not centered in the District's water line easement and is therefore in close proximity to the building. After discussion, the Board instructed the engineer to prepare an estimate of costs to move the water line and to present the costs at the District's next Board of Directors meeting. The Board reviewed bids for the wastewater treatment plant improvements,

and after discussion, the Board unanimously approved award of the contract to the low bidder Hassel Construction Company, Inc. in the amount of \$299,999. The Board then reviewed the bids for the Water Plant PLC replacement project, and after discussion, the Board unanimously authorized award of the contract to the low bidder BL Technology, Inc. in the amount of \$37,600.

The engineer continues to work with representatives of Fort Bend County Municipal Utility District No. 146 on the interconnect.

The Board then engaged in a lengthy discussion regarding vendor solicitation for the splash pad project. A vendor for the splash pad equipment will be selected and specified in order that the District engineer can incorporate the specifications into the plans and bid packages for the project. After discussion, upon deliberation, the Board unanimously approved moving forward with the "Fun Abounds" package at an estimated cost of \$141,194, being incorporated into the bid specifications.

The Board then considered the parking lot project. The Board reviewed plans with the engineer, and after discussion, the Board approved submission of the plans to Fort Bend County for approval and advertising of the project upon plan approval.

Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the engineer's report as presented and authorized the action items contained therein.

11. The Board considered an update from Romain Barski. There was a discussion regarding the need for an annual park clean-up, and after discussion, the Board agreed to reimburse Joe Barski for the annual clean-up. Ms. Barski then confirmed that the District would be named as an insured for the upcoming July 4th event and crowd control will be in place. Ms. Barski also noted that Best Trash will provide receptacles, and gave an update on the Girl Scout community recycling bins.

12. The Board considered public comments. The Board recognized Edward Acosta who noted his continued oppositions to changes at the Lake Charlotte Park. Mr. Acosta noted that he has started a website and a petition opposing the proposed changes.

The Board then recognized Ms. Judith Chaffmen who noted her concern that the lake area will no longer be natural and possible criminal activity occurring in the area.

The Board then recognized Ms. Kathleen Boswell who noted she was concerned about putting lights around the Lake Charlotte area, as well as concern about the impact the development will have to active bird's nest.

The Board then recognized Mr. Kenneth Cargill. Mr. Cargill noted that he is the engineer for the new public storage facility and he is available to answer any questions if needed. He noted that the facility shall be opened in the summer of 2017.

The Board then recognized Mr. Hitesh Patel, who noted his concern about the impact Lake Charlotte Park may have on adjacent property values.

The Board then recognized Chief Wooley from the Pecan Grove Volunteer Fire Department. Chief Wooley noted that Harvest Green will vote on the fire plan in May, and the Fire Department is currently seeking an “ISO 2” rating.

The Board then recognized Ms. Crystal Lawson, who noted her general objection to building parks facilities and wants the project delayed.

There being no further business to come before the Board, the meeting was adjourned.

Secretary