

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors

November 13, 2018

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 November 13, 2018 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Jaime Benoliel, President
Alex Reid Garrett, Vice President
James Hines, Secretary
Paula Blumenthal, Assistant Secretary
Christa Lawson, Assistant Secretary

and the following absent:

None.

Also present were Debbie Arellano, Breah Campbell, Dana Davis, David Wood, Chief Wooley, Romain Barski, Tobin Synatschk, Michael Gurka, Josh Wailes, Sherrie Knoepfel, Jennifer B. Seipel, 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 October 9, 2018. Subject to review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.
2. Chief Wooley gave a PGVFD update. There was discussion regarding a small fire that occurred in a nearby apartment complex.
3. The President opened the floor for public comments. Judy Chapman discussed the condition of the pavilion and jogging path, suggesting that the District plant shrubbery to improve its appearance. Joe Laird then asked several questions regarding the District's Rate Order as it relates to water rates charged to the Waterside at Mason apartment complex.
4. Christie Leighton approached the Board and presented the annual CPI adjustment for Best Trash. After discussion, the Board acknowledged the 4.9% CPI adjustment to take effect in November 2018. Ms. Leighton stated that the increase is due in large part to rising costs associated with recycling.
5. Debbie Arellano presented the tax assessor/collector's report, copy attached. The District's 2018 taxes are 2.3% collected. The Board reviewed and approved the delinquent tax report. The Board approved obtaining an aerial photography as of January 1, 2019. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the tax assessor/collector's report as presented and authorized disbursement of the funds contained therein.

6. Ms. Arellano then recommended that the District move its tax account to Central Bank. Because the District does not currently have a Depository Pledge Agreement with Central Bank as required by law, Ms. Arellano presented a Depository Pledge Agreement with Central Bank. Upon motion duly made, seconded and unanimously carried, the Board approved executing the Depository Pledge Agreement as presented.

7. Breah Campbell presented an operator's report, copy attached. The District served 1393 water connections and accounted for 97.1% of water produced. Ms. Campbell then reviewed the ongoing and routine maintenance items with the Board, including immediate coating repairs needed to the ground storage tank. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the operator's report as presented and 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.

8. Dana Davis presented a bookkeeper's report, copy attached. The District's debt service fund balance is \$2,685,143.05. The District's operating fund balance is \$3,131,481.73, and the capital projects fund balance is \$3,845,149.98. The District's park fund balance is \$2,995,349.77. Upon motion duly made and seconded, the Board unanimously approved the bookkeeper's report as presented and authorized the disbursements of the funds contained therein.

9. The Board reviewed an initial draft of the December 31, 2019 F.Y.E. budget, and the Board discussed several items needing adjustment. The bookkeeper encouraged Director and consultant input in to the budget.

10. The Board considered renewal of the District's insurance policy. After discussion, upon motion duly made and seconded, the Board unanimously approved renewal of the District's insurance policy.

11. Jerry Schroeder presented a Champions Hydro-Lawn report, copy attached. He reported that all of the District's facilities are in good condition.

12. Mr. Wailes presented a report from Mike Stone Associates, Inc. regarding park maintenance. He presented a proposal for graffiti removal and vandalism repairs needed at Barski Park. Upon motion duly made, seconded and unanimously carried, the Board approved the proposal as presented. The Board then discussed the need to replace certain deteriorating trash cans. The Board requested that the park consultant perform a trash can survey to assess which trash cans needed replacing. Mr. Wailes then presented a proposal for irrigation mapping. Upon motion duly made, seconded and unanimously carried, the Board approved the proposal as presented.

13. Ms. Seipel reported that the acquisition of the Waterside Village park continues and that she expects the District will be able to take possession by February, 2019.

14. Tobin Synatschk and Michael Gurka presented an engineer's report, copy attached. With respect to the splash pad at the swimming pool, the engineers held their final inspection on October 30, 2018, and a punch list of items is being completed by the contractor. The engineer then presented and recommended approval of Pay Request No. 2 from Division III + Constructors, Inc. in the amount of \$5,784.30 for their work on the jogging trail at Figure Four Lake. Upon motion duly made, seconded and carried, with Director Lawson voting against, the Board approved the request as presented. The engineers then requested that the Board schedule a special meeting to discuss the proposed alignment for Phases II

and III of the jogging trail at Figure Lake Park. After a lengthy discussion regarding which phase of the trail to undertake next, upon motion duly made and seconded, and carried, with Director Lawson voting against, the Board voted to proceed with Phase III of the jogging trail and authorized the engineer to proceed with the necessary steps to further the project. The engineers confirmed that they will work on a date for the special meeting and will keep the attorney's office and the Board informed. The engineers reported that they continue to work on signage to be placed at Barski Park. With respect to landscaping at Barski Park, the engineers presented and recommended payment of an invoice from GreenScape Associates in the amount of \$1,375.00 for their work in connection with shrub treatments. Upon motion duly made and seconded, and unanimously carried, the Board approved the invoice as presented. The engineers reported that the inspection of Hydropneumatic Tank No. 2 and Ground Storage Tank No. 1 were completed in October, and they request authorization to complete coating repairs in an amount not to exceed \$20,0000 on Ground Storage Tank No. 1. After several questions were asked regarding the necessity of the repairs, upon motion duly made and seconded, and unanimously carried, the Board authorized the repair work as requested. The engineers requested that the Board schedule a special meeting in the coming month for the presentation of proposals from potential contractors for Waterside Village Park. After some discussion, upon motion duly made, seconded, and unanimously carried, the Board authorized the engineers to prepare the request for proposals from potential contractors. After further discussion, upon motion duly made and seconded, and unanimously carried, the Board approved the engineers report as presented.

15. Ms. Campbell then discussed the District's participation in the Larry's Toolbox program. The Board engaged in a lengthy discussion regarding the ways in which the District could meet its yearly requirements, with the conclusion being that it was unlikely that the District could obtain the requisite credits by the year's end.

16. As for North Fort Bend Regional Water Authority (the "Authority") matters, Ms. Campbell confirmed that the Authority's upcoming meeting dates will now be included in the District's water bills.

17. The Board considered an HOA report. David Wood noted that the HOA is hosting an event with Santa on December 15, 2018.

18. Under pending business, the Board discussed compensation to be paid to James Waltz for consultation services performed regarding mapping the District's irrigation system. After some discussion, upon motion duly made, seconded and carried, with Director Lawson not being present for the vote, the Board voted to compensate Mr. Waltz \$50/hour for his services.

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


Secretary