

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors

August 13, 2019

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 August 13, 2019 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
Christa Lawson, Assistant Secretary
Paula Blumenthal, Assistant Secretary

and the following absent:

none.

Also present were Debbie Arellano, Breah Campbell, Katie Boswell, Dana Davis, Michael Gurka, Josh Wailes, Jerry Schroeder, Julie Williams, 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 July 9, 2019. After brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.

2. The Board considered public comments. Seeing none, the President continued with the agenda.

3. The tax assessor/collector presented the tax assessor/collector's report, copy attached. The District's 2018 taxes are 99.5% collected and the District collected \$5,774.80 during the reporting period. After brief review and discussion, upon motion duly made and seconded, the Board denied a request for a waiver of penalties and interests and unanimously approved the tax assessor/collector's report as presented and authorized disbursement of the funds contained therein.

4. The Board considered the 2019 tax rate recommendation presented by Julie Williams attached hereto. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the proposed tax rate of \$0.55 for debt service and \$0.13 for operations and maintenance. The Board directed the tax assessor-collector to publish notice of a public hearing on the proposed tax rate so that the District would be in a position to set the District's 2019 tax rate at the September meeting.

5. Breah Campbell presented an operator's report, copy attached. Ms. Campbell reviewed routine repairs and maintenance with the Board. The District maintained 1,394 connections and accounted for 92.3% of water produced. The operator reviewed the results of well production tests and commercial meter testing. The operator reported that they made an emergency force main repair. Hydrant flushing will occur in September. The Board then reviewed the District deposit policy and proposed an amendment to the current rate order to make new service deposits of \$150 for both tenants & owners and \$100 for a second deposit after a disconnect, with Director Lawson opposed to the motion. The operator noted recent accountability issues were found to be due to an outstanding reading of a temporary meter. The operator reviewed website statistics and regulatory information with the Board. 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.

6. The Board then reviewed a proposed Consulting Service Agreement for Irrigation System with Masuen Consulting, LLC. After brief review and discussion, the Board unanimously approved execution of the Agreement as presented.

7. Dana Davis presented a bookkeeper's report, copy attached. The District's debt service fund balance is \$4,636,517.88. The District's operating fund balance is \$2,939,012.11, and the capital projects fund balance is \$3,216,977.79. The District's park fund balance is \$2,738,844.50. The Board discussed the need to look closely at where funds to finish the reclaimed water project are being allocated from, and closely reviewed fund allocations. After brief review and discussion, 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.

8. Jerry Schroeder presented a report from Champions Hydro-Lawn, copy attached.

9. The Board reviewed a report from Mike Stone Associates, Inc. regarding park maintenance, copy attached. Josh Wailes presented and reviewed the report and requested work and proposals with the Board. Representatives from Terry's Landscape & Design discussed their bid for irrigation repair and retrofitting. The Board requested that Mr. Wailes work on specifications for a new landscaping contract. The Board approved moving forward with Terry's Landscape & Design proposal for retrofit and repairs in amount of \$41,056.47. After further review and discussion, upon motion duly made and seconded, the Board approved Mr. Wailes report as presented and authorized fixing a picnic table.

10. Michael Gurka presented an engineer's report, copy attached. Payment Request No. 2 in the amount of \$42,818.40 to Division III + Constructors, Inc. for the Playground at Waterside Village Park project was recommended for approval. The engineer recommended award of a contract to Division III + Constructors, Inc. for the Jogging Trail at Figure Four Lake: Phase III project in the amount of \$409,304.60. After discussion, the Board authorized award of the contract to Division III + Constructors, Inc., with Director Lawson opposed. Director Lawson voiced concerns that the bid is an anomaly. The Board discussed a

need for the engineers to more closely inspect phase 3 work, and to have better communication with adjacent homeowners and the Board. Mt. Gurka may ask for them to come to a meeting. Payment Request No. 11 in the amount of \$116,857.03 to R&B Group, Inc. for the Reclaimed Water project was recommended for approval. Directors Benoliel and Garrett will work with the engineers regarding reclaimed water signage. The engineers will continue to work on TCEQ information regarding interconnect with Fort Bend County Municipal Utility District No. 143. The Board reviewed proposed rates for reclaimed water. After discussion, the Board approved advertising for bids for water plant coating improvements. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the engineer's report as presented and the action items contained therein.

11. As for North Fort Bend Regional Water Authority matters, Ms. Breah Campbell reported an update on the Larry's Toolbox progress and reviewed additional methods for the District to achieve more points toward the program goals.

12. The Board considered an HOA report presented by Katie Boswell. Ms. Boswell discussed the HOA's efforts to maintain a large utility easement that moves through the neighborhood. The HOA is still working on a bridge easement. The Village irrigation project is now complete. Ms. Boswell discussed recent issues with fire ants. The Board discussed the need for the HOA to limit access and have an irrigation controller point person.

13. Mr. Goodall distributed informational memorandums regarding changes to the Public Funds Investment Act, recently enacted HB-2840, recently enacted SB-944, and recently enacted SB-1640. Mr. Goodall requested that any questions regarding the memos or compliance therewith the new laws be directed to his office.

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


Secretary