

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118
Minutes of Meeting of the Board of Directors
August 8, 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 August 8, 2017 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

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

and the following absent:

James Hines, Assistant Secretary

Also present were Debbie Arellano, Breah Campbell, Dana Davis, Romain Barski, Chief Wooley, Julie Williams, Jerry Schroeder, Michael Gurka, Tobin Synatschk, 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 meetings held on July 11, 2017 and July 27, 2017. After a brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.

2. The Board considered the Resolution Establishing Resident Park Committee and Procedures. The Board members noted that they had reviewed the Resolution in advance of the Board meeting and all were in agreement that it represented the principles discussed and appointed the members to the committee as discussed at the District’s special July 27, 2017 Board of Directors meeting. After further review and discussion, upon motion duly made and seconded, the Board unanimously approved the resolution as presented. The Board instructed Mr. Goodall to work with members of the committee to establish a initial meeting date and location for the committee’s first official meeting.

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

4. Debbie Arellano presented the tax assessor/collector’s report, copy attached. The District’s 2016 taxes are 99.6% collected and the District collected \$8,021.72 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.

5. Julie Williams approached the Board to discuss the District's proposed 2017 tax rate. Ms. Williams noted that the results of the District's recent Refunding Bond sale were more favorable than previously estimated, resulting in a present value savings to the District of 5.1%. Such a present value savings represents an approximate \$378,625.00 gross savings to the District. The District's financial condition is strong and Ms. Williams is prepared to recommend a \$0.02 reduction in the debt service tax rate. Ms. Williams pointed out that the \$0.02 reduction does take in to account the upcoming Series 2017A and 2017B bond sales. Thus, the District is able to issue bonds for District projects in 2017 and still reduce the tax rate by \$0.02. A \$0.02 reduction in the tax rate will reduce the average homeowners tax bill by approximately \$18.26. Subject to that discussion, upon motion duly made and seconded, the Board unanimously authorized publication of a \$0.68 total tax rate comprised of \$0.57 for debt service and \$0.11 for maintenance and operations and called a public hearing on the tax rate for the District's regularly scheduled September 12, 2017 Board of Directors meeting.

6. Breah Campbell presented the operator's report, copy attached. The District accounted for 117.6% of water produced and Ms. Campbell's office will continue to investigate the water production number in the coming months. The Board engaged in discussion with Ms. Campbell regarding the sidewalk repairs and routine maintenance items for the month and reviewed the G-M Services reports. 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.

7. Dana Davis presented a bookkeeper's report, copy attached. The District's operating fund balance is \$2,842,070.53, and the capital projects fund balance is \$1,148,795.61. The District's debt service fund balance is \$4,564,023.88. Subject to that 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 Champions Hydro-Lawn report, copy attached. It was noted that it would be necessary to remove a large dead pecan tree and after discussion, the Board unanimously authorized Mr. Schroeder to proceed with said removal. Mr. Goodall reminded Mr. Schroeder that he should provide an HB 1295 form for the removal project.

9. The engineers gave an update on the MS4 Storm Water Management Program. Bids were received for the interconnect with Fort Bend Municipal Utility District No. 146 project and the engineers recommended awarding the project to the lowest responsive bidder LG&G Construction in the amount of \$108,753.00. The engineers requested approval to advertise and accept bids for the District's reclaimed water project and recommended payment of Payment Request No. 3 to Hassel Construction in the amount of \$ 160,107.14 for the WWTP Improvement projects. In addition, a change order for the WWTP project in the amount of \$16,000.00 was approved for the addition of stainless steel piping. The change order will be presented at the District's next Board of Directors meeting for final approval. The engineers recommend Payment Request No. 3 & Final to Millis Equipment in the amount of \$72,825.51 for the parking lot project. The engineers will hold payment of the check until debris is cleared from the site. In addition, the Board considered additional irrigation and landscape improvements needed for the parking lot project. After discussion, the engineers recommended payment of

\$4,240.00 and \$2,700.00 for additional irrigation and landscaping work to be performed at the site by Nunez Landscaping. The Board then briefly discussed upcoming capital improvement projects. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the engineers report, including awarding the contract for the interconnect to LG&G in the amount of \$108,753.00, approving Payment Request No. 3 to Hassel Construction in the amount of \$160,107.14, approving Payment Request No.3 and Final to Millis in the amount of \$72,825.51, and approving the payment of \$4240.00 and \$2700.00 to Nunez Landscaping for additional irrigation and landscape improvements on the site.

10. The Board considered a report from the District's HOA. Romain Barski presented a brief report and thanked the Board of Directors for allowing the HOA's fencing contractor to use a District lift station site for material storage.

11. The Board considered an amendment of the District's Rate Order, copy attached. It was noted that the Rate Order had been provided to Board members in advance of the meeting and that changes requested by the District operator had been integrated in the document. The operator noted that it did not appear further changes were necessary at this time. It was announced that the primary purpose of amending the District's Rate Order is increase ease of use. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved amending the District's Rate Order as presented.

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


Secretary