FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118
Minutes of Meeting of the Board of Directors
February 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 February 13, 2018 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 Hines, Assistant Secretary
James A. Waltz, Director

and the following absent:

None.

Also present were, Debbie Arellano, Breah Campbell, Dana Davis, Romain Barski, 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 meeting held on January 09 and January 15, 2018. After a brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.

2. The Board considered public comments. Richard Stade voiced his support for the District beginning park improvements as soon as possible. Mr. Stade expressed his desire to have tax dollars spent on capital projects and requested that the Board of Directors stop paying attention to a minority of vocal opposition to the park improvements. In addition, Mr. Stade asked questions regarding the storm sewers holding water. He then asked that the District check the storm sewers for potential blockages.

3. The Board was presented with the tax assessor/collector's report, copy attached. The District's 2017 taxes are 97% collected and the District collected $704,850.23 for the month. After 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 funds contained therein.

4. The Board considered a Resolution Authorizing Challenge to Appraisal Roll. After brief discussion, upon motion duly made and seconded, the Board unanimously approved the Resolution as presented.

5. The Board was presented with an Order Levying Additional Penalty for Delinquent Taxes. After brief discussion, upon motion duly made and seconded, the Board unanimously approved the Order as presented.

6. Breah Campbell presented an operator's report, copy attached. Ms. Campbell reviewed the regulatory items and maintenance items with the Board. Ms. Campbell noted that there were two customer requests. There was a high water bill disputed by a customer. After review of the facts with Ms. Campbell, the Board declined action. There was then discussion regarding requests for the wavier of late fees and penalties for a District apartment complex. Ms. Campbell reported that it appeared the bookkeeping department of the apartment complex never noted the change to the District's mailing address for receipt of bills. Subject to that discussion, the Board approved the waiver of the late fees and penalties as requested. 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. The attorney noted that the District was required to review the FTC identity theft red flag program on an annual basis. The attorney confirmed that there were no changes necessary to the program, and the operator noted that there were no responses to any red flag incidents in the past year. The attorney recommended that no changes be made to the program. Accordingly, upon motion duly made, seconded and unanimously carried, the Board approved and adopted the attached Resolution Affirming Identity Theft Prevention Program.

8. Dana Davis presented a bookkeeper's report, copy attached. The District's operating fund balance is $3,328,449.65, and the capital projects fund balance is $4,718,131.83. The District's debt service fund balance is $3,979,089.01. The District's park fund balance is $3,650,157.46. Subject to further 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.

9. In the absence of Jerry Schroeder, the Board reviewed a written Champions Hydro-Lawn report, copy attached. Director Waltz noted that he recently walked the detention channels with Mr. Schroeder. The Board reviewed and approved a proposal for a dead tree removal.

10. The Board considered District park facilities. There was discussion regarding the hiring of an independent company to perform maintenance. Michael Gurka and Tobin Synatschk presented a preliminary design of Barski Park pavilion. After review and discussion, the Board unanimously authorized the engineers to finalize the plans for the pavilion and submit for bidding. The hope is to have the pavilion fully constructed by the end of May. The Board then reviewed the plans for the playground at Barski park. After review and discussion, the Board unanimously authorized the engineers to finalize the plans and advertise the project. The Board then reviewed the plans for the Waterside Village Park. The Board instructed the engineers to continue to work on the preliminary design for the Waterside Village Park. The engineers then reported that the splash pad contractor has agreed to hold their bid price as previously presented and approved by the Board. After discussion, the Board authorized

execution of the contracts for the splash pad construction upon confirmation of the District's right to access and utilize the proposed splash pad site currently the subject of condemnation litigation.

11. Tobin Synatschk and Michael Gurka presented an engineer's report, copy attached. The engineers submitted the MS4 permit and the Board discussed the possibility of the engineers performing a feasibility study at a developers expense to determine whether it is in the District's interest to serve a proposed apartment development. The engineers reviewed the reclaimed water project map and noted that the map will be placed on the District website and the contractor for the reclaimed water project will notify District customers in advance of construction adjacent to District homeowners property. Pay Request No. 3 and final in the amount of $10,475.30 to LG&G Construction, Inc. for the interconnect with Fort Bend MUD No. 146 was recommended for approval. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the engineers report as presented, including the action items contained therein and authorized the engineers to conduct the feasibility study after receipt of adequate deposit from the proposed apartment developers.

12. The Board considered an update from the District's HOA. David Wood noted that the HOA recently sponsored a fun run and that a mock fence is constructed at the HAO pool site offering an opportunity for District residents to provide insight as to the preferred color of fence stain. After deliberation regarding the Fourth of July fireworks celebration, the Board unanimously authorized the expenditure of $25,000 of strategic partnership agreement revenue for the Fourth of July fireworks celebration. The HOA confirmed that it would be in charge of clean up and security and would name the District as an additional insured on it special event general liability policy.

13. Shannon Waugh approached the Board and presented an update on the design of the District website and reviewed the various hosting options with the Board. After deliberation, The Board unanimously approved execution of a contract with Off Cinco for website design and hosting plus email blast service.

14. It appeared that an election of directors should be called for and within the District on Saturday, May 05, 2018. The attached Order calling such election was presented and reviewed by the Board of Directors. Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the Order which is attached to these minutes. The attorneys were instructed to handle the mechanics of the election.

15. The Board considered a joint election agreement with Fort Bend County. Mr. Goodall explained that the District will contract with Fort Bend County for the administration of the District's upcoming Directors election. The county will determine the election judges as well as the polling location. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the joint election agreement as presented.

16. The Board considered the matters associated with the North Fort Bend Water Authority. Breah Campbell reported that the operators continue to work on the District's behalf on the Larry's Toolbox program as well as the required water use survey.

17. The Board considered an engagement of Whitney and Associates in the amount of $2,500 for the appraisal for potential acquisition of a future playground site on the Village side of the Waterside Estates subdivision. Mr. Goodall reminded the Board that the land in question is currently owned by the HOA, thus the District would have to follow the same procedure to acquire the site as the District is currently following pertaining to the splash pad site. The first step in said process is to obtain an appraisal for the land. Subject to that discussion, the Board unanimously approved execution of the engagement letter as presented.

18. Director Waltz presented a proposal for a spring clean up at Barski Park. After brief discussion, the Board unanimously approved the proposal as presented.

19. At 7:26 PM President Rooney announced that the District would be entering executive session to discuss real estate acquisition and litigation matters pursuant to Texas Government Code §§551.071-072. The Board reminded the public that it would reconvene the regular session prior to adjourning the meeting. At 7:49 PM the Board exited executive session. The Board considered pending business. Directors Rooney and Benoliel reviewed the recent discussion regarding the homeowners fence on District property between the homeowners property line and the District's Barski Park area. After discussion, it was decided that the issue should be tabled to allow all Directors to view the location of the fence. Director Rooney noted that the Board did not finish conversations associated with the need to hire a third party contractor to perform maintenance of District park facilities. It was decided that the conversation regarding hiring a third party should continue at a later date as the District will need to formulate a scope of work prior to soliciting bids for the service.

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

Secretary