

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors

April 10, 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 April 10, 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 David Woods, Debbie Arellano, Breah Campbell, Dana Davis, Romain Barski, Michael Gurka, Tobin Synatschk, Brian Krueger, Jerry Schroeder, Christie Leighton, Chief Wooley, 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 March 13, 2018. After a brief review and discussion, upon motion duly made and seconded, the Board approved the minutes as presented.

2. The Board reviewed and accepted the resignation of Director James Waltz. After discussion, upon duly made and seconded, the Board unanimously moved to appoint Ms. Paula Blumenthal to the fill vacancy on the Board of Directors. The Board then reviewed the qualifications, oath of office and ethics statements of Ms. Blumenthal.

3. The Board considered a report from Pecan Grove Volunteer Fire Department presented by Chief Wooley. There were 15 calls in the District for the reporting period and Chief Wooley noted that the Pecan Grove Volunteer Fire Department golf tournament will occur on May 07, 2018.

4. Christie Leighton briefly presented a Best Trash quarterly report.

5. The Board considered public comments. Ms. Judith Chapman reported an uncovered in ground valve or meter box outside her house and inquired as to whether the District has plans to improve the medians with landscaping as previously discussed. The Board noted that the District has not made a final decision on the median improvements and is waiting to determine whether funds are available for said improvements. George Sepe noted that the HOA

is curious about HOA water usage and billing and the operator agreed to look into the matter further with the HOA management company.

6. Brian Krueger presented a fiscal year end 2017 audit report. Mr. Krueger reviewed the report with the Board of Directors and those present and noted that the general fund had a net gain at the end of the year and that the District has an approximate 1.5 year operating reserve. There is a one year reserve in the debt service fund and the Board finished the year \$137,500 ahead of budgeted. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the audit report as presented and authorized filings in accord with District obligations and state law.

7. There was presented the attached Resolution Affirming Review of Investment Policy, Strategies and Objectives and the list of approved brokers/dealers. The attorney noted that according to the Public Funds Investment Act, the District is annually required to review its investment policy to assure its compliance with Texas law. The audit report noted no deficiencies with respect to how the District's investments are handled. The Board also reviewed a list of brokers/dealers to be authorized to engage in investment transactions with the District. Upon unanimous vote, the Board adopted the Resolution and brokers/dealers list as presented.

8. The Board was presented with the tax assessor/collector's report, copy attached. The District's 2017 taxes are 98.8% collected and the District collected \$27,203.73 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.

9. The Board considered a consent to assignment and amendment for the tax assessor-collector contract. After brief review and discussion, upon motion duly made and seconded, the Board reviewed the assignment and amended contract as presented.

10. Breah Campbell presented an operator's report, copy attached. Ms. Campbell reviewed the substantial system repairs and maintenance and noted that the operator submitted the required Texas Water Development Board Water Conservation Plan Annual Report. Additional UCMR testing as required by the Federal Government will begin and the Board approved moving forward with an irrigation systems evaluation program. The District served 1,391 accounts and accounted for 97.3% of water produced. 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.

11. Dana Davis presented a bookkeeper's report, copy attached. The District's operating fund balance is \$3,401,586.71, and the capital projects fund balance is \$4,726,539.78. The District's debt service fund balance is \$4,570,453.53. The District's park fund balance is \$3,618,847.46. 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.

12. Jerry Schroeder presented a written Champions Hydro-Lawn report, copy attached.

13. The Board considered District park facility matters. Director Rooney has began a park maintenance scope of work and is waiting on the engineers to determine splash pad maintenance requirements. Director Benoliel will aid in producing the scope of work. There was further discussion regarding a request from a resident regarding a fence on District property and the issue was tabled to allow for further review by the Directors.

14. Tobin Synatschk and Michael Gurka presented an engineer's report, copy attached. After discussion, the Board unanimously authorized award of the contract for the playground at Barski Park to Stone Castle Constructors, LLC in the amount of \$151,967.90. In addition, the Board authorized award of a contract for the pavilion at Barski Park to Stone Castle Constructors, LLC in the amount of \$126,614.84. The Board authorized execution of contracts with LG&G Construction Inc. in the amount of \$96,946.65 for the site work at the splash pad and authorized execution of a contract with Fun Abounds in the amount of \$185,682.42 for the splash pad equipment contract. The Board approved advertising for the jogging trail at Figure Four Lake phase no. 1 contract and the engineers continue coordination efforts with playground vendors to development an equipment recommendation for the Waterside Village park. The Board approved the engineers request to submit necessary changes to the operating procedures for the EPP to the TCEQ and authorized execution of the contracts with R&B Group in the amount of \$2,482,212.95 for the reclaimed water project. After further review and discussion, upon motion duly made and seconded, the Board unanimously approved the engineer's report as presented and authorized the action items contained therein.

15. The Board considered an update from the District's HOA. David Woods noted that the semiannual HOA meeting will occur the following Tuesday at 6:30 p.m. and voiced concern about the intersection of Mason Road and Waterside Estates.

16. The Board considered pending business. There was brief discussion regarding regional drainage issues with Mr. Synatschk and Mr. Synatschk noted that he would look into the matters raised at Fort Bend County.

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


Secretary