

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors
September 8, 2015

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 September 8, 2015 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Jason Kirby, President
Alex Reid Garrett, Vice President
Dennis Rooney, Asst. Secretary
Doug Perry, Director

and the following absent:

None.

Also present were Dana Davis, Breah Campbell, Tracy Butcher, Dano Lozano, Shawn Sharkey, Omar Oweis, Debbie Arellano, James Waltz, Romain and Joe Barski, Chuck Bertran, Joe Wooley, Dave Ciarella, Jerry Schroeder, Teri League, and G. Taylor Goodall, Jr.

The meeting was called to order and declared open for such business as might regularly come before it.

1. The Board considered the minutes of the meeting held on August 11, 2015. After a brief review and discussion, upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board considered an operator’s report, copy attached. Ms. Campbell reviewed the larger maintenance items with the Board as well as the water accountability and permit status data. There was a request regarding the operator’s interpretation of the Rate Order for billing purposes, and the Board agreed with Ms. Campbell’s interpretation. The Board agreed to work with the apartment complex under construction regarding the cost to provide water prior to occupancy as recommended by Ms. Campbell. The operator then submitted a list of delinquent accounts to the Board for termination of utility service and stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. The operator noted that the accounts listed have neither attended the Board meeting nor contacted the operator’s office or the District to contest or explain the charges. 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.

3. Jerry Schroeder presented a Champions Hydro-Lawn report. Mr. Schroeder reviewed the report with the Board and noted that there was an outfall in need of

repair. After a brief discussion, the Board requested that Mr. Schroeder present a proposal for the outfall repair at the District's next regularly scheduled meeting.

4. Dano Lozano, Shawn Sharkey, and Omar Oweis presented an engineer's report, copy attached. The engineers noted that the District's previous engineer, Vernon Webb, is leaving Jacobs Engineering and, thus, Mr. Lozano and Mr. Sharkey will be assuming responsibilities for the District. The engineers noted that they are still getting up to speed and presented a brief explanation of their report. Upon motion duly made, seconded and unanimously carried, the Board approved the engineer's report as presented.

5. Dana Davis presented a bookkeeper's report, a copy of which is attached. The District's General Fund balance is \$2,984,999.07. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and authorized payment of the bills contained therein.

6. Debbie Arellano presented the tax assessor-collector's report, copy attached, and noted that 2014 taxes are 99.1%. After a brief review, upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report as presented.

7. The tax assessor-collector confirmed that her office had published notice of the District's intent to hold a public hearing and set the 2015 tax rate at this meeting. Accordingly, the Board opened the public hearing on the District's proposed 2015 tax rate at 6:38 p.m. It appeared that the Fort Bend County Appraisal District had heretofore prepared and certified to the District's tax assessor-collector the final 2015 appraisal roll of the District. The Board considered the amount of taxes to be raised based on said valuation in order to meet debt service requirements on the District's outstanding bonds. It was moved, seconded and unanimously carried that there be passed and adopted the attached Order accepting the final appraisal roll and setting a tax rate for debt service purposes of \$0.70 for each \$100 of assessed valuation shown on such appraisal roll. The rate set represented a reduction in the District's tax rate.

8. The Board executed in triplicate the amendment to the District's information form to reflect the tax rate, and the attorneys were directed to file executed copies with the Fort Bend County Clerk and the Texas Commission on Environmental Quality as required by the Texas Water Code, and to furnish the tax assessor for the District a certified copy of the Order levying the tax.

9. The Board considered the appointment of a director to fill the vacancy created by the resignation of Roy Carley. It was moved, seconded and unanimously carried that there be passed and adopted the attached order appointing James A. Waltz as a director for such unexpired term. Mr. Waltz took his oath of office and was included under the coverage of the District's Directors Faithful Performance Schedule Blanket Bond. The Board found said bond to be in proper form. It was moved, seconded and unanimously carried that the Board approve the inclusion of Director Waltz under said bond, accept said oath, and declare James A. Waltz to be a duly appointed and qualified director of the District. Director Waltz participated in the remainder of the meeting. After a brief discussion, upon motion duly made, seconded and

unanimously carried, the Board approved appointing Director Rooney as Secretary of the Board of Directors and Mr. Waltz as Assistant Secretary.

10. The Board considered public inquiries regarding items not on the agenda. Romain Barski requested that additional monthly mowing to the drainage ditch areas maintained by Champions Hydro-Lawn be considered. After discussion, the Board requested an additional mowing for the month of September and October. Ms. Barski presented a request from the homeowner at 1602 Lake Charlotte Lane for a root barrier installation. It was noted that a tree owned by the District located on District property had roots protruding into the lawn of the property at 1602 Lake Charlotte Lane. After discussion, the Board authorized Director Waltz to procure a root barrier quote and approved \$250 for tree trimming per Ms. Barski's request. Ms. Barski then noted that the HOA is constructing a new website.

11. Mr. Goodall presented the Board with a draft fire protection agreement with the Pecan Grove Volunteer Fire Department. Chuck Bertran and Joe Wooley indicated that they reviewed the draft agreement and will recommend that the board of directors of the Pecan Grove Volunteer Fire Department approve it at their next meeting. Subject to that discussion, upon motion duly made, seconded and unanimously carried, the Board approved the agreement as presented, with Director Waltz abstaining from the vote. The Board then discussed the need to have a representative of the District attend the annual meetings with Pecan Grove Volunteer Fire Department and other meetings as necessary. After discussion, it was decided that Director Rooney shall be the official representative of the Board of Directors of the District to the Pecan Grove Volunteer Fire Department.

12. Dave Ciarella with Enhanced Energy Services approached the Board regarding recent discussions surrounding the District's electricity consultant. After noting that Mr. Ciarella's service and prices were competitive, upon motion duly made, seconded and unanimously carried, the Board authorized termination of the contract with the current electricity consultant and engaging Enhanced Energy Services to provide such services and obtain bids.

13. Teri League with WCA approached the Board and noted that, due to the fact that the District served notice to WCA that it is in breach of its contract and gave a 30-day opportunity to cure said breach pursuant to the agreement, a change to District trash collection days will be delayed until a later date to avoid confusion.

14. At 7:48 p.m., the Board entered executive session. At 8:20 p.m., the Board exited executive session. Upon motion duly made, seconded and unanimously carried, the Board instructed Mr. Goodall to schedule a special meeting for 11:00 a.m. on September 29, 2015 to interview representatives from Jones & Carter, Inc., Brown & Gay, Inc., Jones Engineering, and IDS Engineering and discuss their proposals for serving as District engineer.

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

Secretary