

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors
January 12, 2016

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 January 12, 2016 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, Secretary
James A. Waltz, Assistant Secretary
Jaime Benoliel, Director

and the following absent:

None.

Also present were Lori Buckner, Breah Campbell, Tracy Butcher, Debbie Arellano, Romain and Joe Barski, Jerry Schroeder, Tobin Synatschk, Michael Gurka, Brian Jarrard, 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 deferred consideration of the minutes of the meeting held on December 8, 2015 until the next Board of Directors meeting.

2. Mr. Goodall gave the Board an update regarding House Bill 1295. Effective January 1, 2016, House Bill 1295 requires that individuals and entities entering into certain contracts with the District be responsible for filing a “1295” form with the District. The District must then acknowledge filing of the form within 30 days of acceptance of the contract through the Texas Ethics Commission. Mr. Goodall distributed the attached memos regarding the subject.

3. Breah Campbell presented the operator’s report, copy attached. The District’s water accountability rate was 133.3%, and Tracy Butcher will discuss the issue with the North Fort Bend Water Authority. It is suspected that the Authority’s meter is not operating properly. The Board discussed the ongoing sidewalk repair project, and the operator will move forward with additional repairs. The Board discussed a payment plan request for the account at 1431 Sand Lake Lane and, after discussion, the Board unanimously approved the request. 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.

4. The Board considered the water usage submission form and nomination process for the North Fort Bend Water Authority. Ms. Campbell confirmed that the operator will complete and submit the form as required by March 1, and the Board requested that an item for consideration of nominating individuals to the board of the North Fort Bend Water Authority remain on the agenda for the February Board meeting.

5. It was reported to the meeting that under the provisions of Article VIII, Section 1-b of the Constitution of Texas, this District may exempt by its own action not less than \$3,000 of the assessed value of residence homesteads of persons 65 years of age or older or disabled from all ad valorem taxes thereafter levied by the District. Those present discussed at length the various points for or against the adoption of the exemption by the District. After discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the attached Resolution providing a \$15,000 homestead exemption for residents of the District 65 years of age or older or disabled.

6. The Board considered public inquiries. Romain Barski approached the Board and inquired as to whether the District would allow the HOA to use the District lake and park area for a July 4th fireworks display. After discussion, it was decided that the District will allow the HOA to use the facilities for a fireworks display provided that the display is open to the public, the HOA makes necessary arrangements for security, and the District is satisfied with the company and insurance policy procured by the HOA for the fireworks display. The Board tabled consideration of partial funding of the event for the time being. There was discussion regarding the splash pad which led to a broader discussion regarding the District participating in recreational facilities development and maintenance. After a lengthy discussion, it was decided that the District may want to consider greater involvement in providing for recreational facilities and that, as the District is currently holding an election for adoption of a fire plan in May, it should also place a park plan measure on the ballot.

7. Jerry Schroeder presented a Champions Hydro-Lawn report, copy attached. After a brief review and discussion, the Board approved the report as presented.

8. Mr. Tobin Synatschk and Mr. Michael Gurka presented an engineer's report, copy attached. The Board unanimously approved execution of the NOC application and submission of the MS4 permit. It was decided that a special meeting shall be held on January 26, 2016 at 5:00 p.m. to discuss the reclaimed water system and discharge re-use permit. The Board reviewed the conceptual drawings for the Lake Charlotte Lane parking lot, and it was noted that the project should be incorporated into the park plan previously discussed. There was discussion regarding the discharge permit application filed by Fort Bend County Municipal Utility District No. 134A and the potential impact it may have on the District. There was discussion regarding the plan approval for the commercial retail building proposed at Mason Road and Waterside Village Drive. There was discussion regarding whether a water meter and vault was needed for

the fire line for the facility, and it was noted that certain facilities in the District did have metered fire lines and others did not. The engineers, after consultation with Director Kirby and the District operators, concluded that a “double-check” valve is sufficient to address concerns regarding water loss in a less costly manner than a full water meter and vault. The engineers requested that an update of the District’s Emergency Preparedness Plan be placed on the February Board meeting agenda and the Board unanimously authorized moving forward with engineering for the wastewater treatment plant bridge repairs. Subject to that discussion, upon motion duly made, seconded and unanimously carried, the Board approved the engineer’s report as presented.

9. Lori Buckner presented a bookkeeper’s report, copy attached. The District’s debt service fund balance is \$2,891,845.69. The capital projects fund balance is \$1,752,496.09. The District’s general operating fund contains \$3,158,058.62. Subject to that review and discussion, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper’s report and authorized issuance of the checks listed therein.

10. The tax assessor-collector presented the tax assessor-collector’s report, copy attached. The District’s 2015 taxes are 68.9% collected. After a brief review and discussion, upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector’s report as presented and authorized issuance of the checks listed therein.

11. Mr. Goodall updated the Board regarding the status of the TCEQ approval of the District’s fire plan. Mr. Goodall spoke with the application reviewer at the TCEQ prior to the Board meeting, and he expects approval within the next two or three weeks.

12. The Board considered developer reports. Brian Jarrard presented a report regarding the status of development of the commercial strip center and potential tenants. Mr. Jarrard thanked the Board for their willingness to work with the developers regarding the double-check valve, and he hoped to have information regarding the potential tenants in the coming weeks.

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

Secretary