

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors

December 13, 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 December 13, 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 Debbie Arellano, Dana Davis, Breah Campbell, Tobin Synatschk, Michael Gurka, Jerry Schroeder, Brian Krueger, Romain Barski, 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 November 8, 2016. After brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.

2. Breah Campbell presented the operator’s report, copy attached. The District accounted for 95.4% of water produced and maintained 1,384 connections. There was discussion regarding the water plant fence repair and after deliberations, the Board unanimously approved replacement of the water plant wall panels at a cost not to exceed \$4,000. At the request by the District operator, the Board unanimously authorized moving the billing due date to the fourth of each month, and approved a North Fort Bend Water Authority rate increase customer insert to be included in the next bill. Ms. Campbell reviewed the progress of the District sidewalk improvement project, as well as the other pending maintenance items.

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 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. Dana Davis presented a bookkeeper's report, copy attached. The District's operating fund balance is \$3,168,298.82, and the capital projects fund balance is \$1,641,367.92. The District's debt service fund balance is \$2,668,521.53. After a brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the bookkeeper's report as presented and authorized the disbursements contained therein.

4. The Board reviewed the budget for the fiscal year ending December 31, 2017. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved and adopted the budget as presented in accordance with the Resolution which is attached.

5. After approval of budget, it was noted that the budget may need to be amended at the January Board of Directors meeting to account for sidewalk repairs and fences. The Board instructed Mr. Goodall to place such an item on the District's January Board of Directors meeting.

6. The Board then considered engagement of an auditor to perform the annual audit of the District's books and records for the fiscal year ending December 31, 2016. Brian Krueger presented a proposal from BKD, L.L.P. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved engaging BKD, L.L.P. to perform such audit.

7. The Board next considered the tax assessor/collector's report, copy attached. The District's 2016 taxes are 6.8% collected, and the District collected \$208,337.74 for 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.

8. Jerry Schroeder presented the Champions Hydro-Lawn report. After a brief review and discussion, upon motion duly made and seconded, the Board approved the report as presented.

9. Tobin Synatschk and Michael Gurka presented an engineer's report, copy attached. The Board discussed the MS-4 stormwater management program, as well as the engineer's review of plans for the Advanced Auto Parts and public storage facility. After the discussion regarding the need for hydropneumatic tank repairs, the Board unanimously authorized moving forward with preparation of the bid packet for repairs based on the provided engineer's scope of work. Mr. Synatschk will ensure a necessary HB 1295 form is provided for the project. In addition, an item for consideration of soliciting bids for the PLC repairs at the water plant and approval of recommendation of award for the wastewater treatment plant improvements shall be placed on the January Board of Directors meeting agenda. The engineer continues discussions with neighboring Fort Bend County Municipal Utility District No. 146 regarding the proposed interconnect. The TCEQ issued approval for the use of reclaimed water, and the engineer continues to work on park projects during the month. Subject to that discussion,

upon motion duly made and seconded, the Board unanimously approved the engineer's report as presented and authorized the action items contained therein.

10. Mr. Goodall reported that in accordance with Senate Bill 1812, all entities with the power of eminent domain must annually submit certain information to the Texas Comptroller. The District will be required to submit not later than February 1st of each year a report containing records and other information needed for the Controller's eminent domain database, including the following: (i) name, (ii) address and public contact information, (iii) the name of a representative and their contact information, (iv) the type of entity, (v) each provision of law that grants the District eminent domain authority, (vi) the focus or scope of eminent domain authority, (vii) the earliest date on which the District had the authority to exercise eminent domain, (viii) the District's taxpayer identification number, if any, (ix) whether the District exercised its eminent domain authority in the preceding calendar year by filing a condemnation petition, and (x) the District's website address or, if it does not have one, the contact information to enable a member of the public to obtain information from the District. The attorney requested that the Board authorize his office to file the annual report with the Texas State Comptroller not later than the February 1, 2017 deadline. Upon unanimous vote, the Board authorized the attorney to make the submission as required by law.

11. The Board considered public inquires regarding items not on the agenda. Romain Barski approached the Board and noted that there will be a community holiday hayride on December 17, 2016, and thanked the Board of Directors for their continued support and work in the community.

Director Kirby gave an update on park plan progress and opened the floor for public comment as many members of the public were in attendance to discuss the park plan. Director Kirby reminded the Board that the plan had been voted on successfully at the District's May, 2016 election. In addition, specifics of the plan are still in the design phase and subject to change. Edward Acosta distributed a handout, copy attached, regarding questions about the park plan, in particular the proposed pavilion at Lake Charlotte. Mr. Acosta and other members of the public requested that the Board of Directors solicit input regarding the plan. Another District resident, Taylor Brown, discussed similar concerns regarding the proposed pavilion in this location. Director Kirby and the remaining members of the Board of Directors noted that there will be another town hall meeting to solicit feedback from the public regarding the specifics of the items to be included in the park plan. It was noted that no members of the public voiced any opposition to the concept of a pavilion, but merely the proposed location. It was also noted that no members of the public were appearing in opposition to the proposed splash pad project. Larry Yell addressed the Board and requested that the Board consider District safety first and foremost when designing and maintaining recreational facilities. Henry Garza noted his objection to the placement of the District pavilion. Ms. Choy noted that she was in opposition to a parking lot as is presently being discussed. Ms. Choy also inquired as to whether a rock wall was planned to be constructed, and the Board noted that no discussions have been held regarding construction of a recreational rock-climbing wall. Michael Perry and Sharon Havis approached the Board and expressed concerns about the placement and design of a proposed parking lot. Jason Morris inquired as to whether the proposed parking lot could be moved. The Board informed the members of the public that, they too, originally wanted a parking lot with a smaller footprint. Fort Bend County would not approve such a parking lot. Lastly, Ms. Acosta approached the

Board and again voiced opposition to the proposed placement of the pavilion and her desire for a smaller than currently proposed parking lot. The Board of Directors reminded all members of the public that no plans have been finalized for the recreational facilities, and all District Board meetings are open to the public. In addition, a town hall meeting to solicit input will be held in the near future. The Board reminded the members of the public present that the District previously held a town hall meeting at Oakland Elementary School regarding the recreational facilities and that the park plan received the overwhelming support of the community-at-large in the May, 2016 election. Nonetheless, the Board of Directors thanked those in attendance for providing their input, and noted that they try to balance the needs of all constituents when acting on behalf of the taxpayers.

12. It was requested that an item to consider the request from a local Girl Scout Troop regarding District solicitation of a community recycling project be placed on the January Board of Directors agenda.

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

Secretary