

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors

January 10, 2017

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 10, 2017 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 Tracy Butcher, Debbie Arellano, Dana Davis, Tobin Synatschk, Michael Gurka, Jerry Schroeder, 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 meetings held on December 8, 2016 and December 13, 2016. After brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.

2. The Board considered a request from Girl Scout Troop No. 29031. The Girl Scouts requested that the District participate in a joint project to improve recycling within the community. After consultation with the Girl Scouts, it was decided that the Board should allow installation of recycling cans and provide for recycling pickup on District-owned property. The District will coordinate with the HOA.

3. Tracy Butcher presented the operator’s report, copy attached. The District accounted for 99.3% of water produced and maintained 1,384 connections. Mr. Butcher reviewed the routine maintenance items with the Board, and after discussion regarding the ongoing sidewalk repair project, the Board authorized moving forward with an additional phase of sidewalk repairs. A request regarding an adjustment to the District’s multi-family rate was reviewed from the owner / manager of an apartment building within the District, and the Board tabled the request after taking it under consideration. Mr. Butcher presented an account write-off list for approval.

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.

4. The Board considered a request from the North Fort Bend Water Authority regarding certain District information to be provided by District engineers and operators. After a brief review and discussion of the request, upon motion duly made and seconded, the Board unanimously ratified the District's response to the request.

5. Dana Davis presented a bookkeeper's report, copy attached. The District's operating fund balance is \$3,194,279.39, and the capital projects fund balance is \$1,592,240.73. The District's debt service fund balance is \$2,869,233.82. It was decided that an item to consider amendment of the District's budget shall be placed on the February Board meeting agenda at the request of the District bookkeeper. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the bookkeeper's report as presented and authorized the disbursements contained therein.

6. The Board next considered the tax assessor/collector's report, copy attached. The District's 2016 taxes are 70.8% collected, and the District collected \$2,097,393.91 during 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.

7. 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.

8. Jerry Schroeder presented the Champions Hydro-Lawn report. After a brief review and discussion of the report, the President continued with the agenda.

9. Tobin Synatschk and Michael Gurka presented an engineer's report, copy attached. The Board reviewed the MS-4 stormwater management program update, and presented the proposals for the hydropneumatic tank repairs. After a brief review of the proposals and upon recommendation of District engineers, the Board unanimously authorized moving forward with the repairs consistent with the proposal provided by CFG Industries. Recommendation of award for the wastewater treatment plant improvements will take place at the District's February Board of Directors meeting, as well as the water plant PLC improvements.

The engineers reviewed the status of Bond Application Report No. 8 and, upon motion duly made and seconded, the Board authorized submission of the bond application report to the TCEQ for approval, pending final review by the District's engineer, attorney, and financial advisor. Design is scheduled to be finalized for the interconnect with Fort Bend County Municipal Utility District No. 146 in March, and the topographic survey and preliminary design of the reclaimed water project is underway. There was discussion regarding the park plan and park plan subcommittee, and it was decided that the park plan subcommittee will meet to review the proposed park plan with the District engineer. The park plan subcommittee will be submit the park plan to the Board and HOA for additional comments.

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. The Board considered public inquires regarding items not on the agenda. After a presentation by Romain Barski, the Board approved reimbursement of \$422.50 for the New Year's Eve security patrols and authorized expenditure of up to \$25,000 for the fireworks show, contingent upon receipt of a satisfactory certificate of liability insurance, as well as security and crowd control plans and post-event cleanup. Ms. Barski will inquire about the possibility of a rain date with the fireworks contractor.

Irma and Edward Acosta noted that they are opposed to any project that reduces the amount of greenspace in the Lake Charlotte area. Specifically, Ms. Acosta noted her opposition to the current plan to build a parking lot in the area and requested that the Board consider constructing the planned pavilion near the pool area away from Lake Charlotte. The question was raised as to where residents will go to play soccer and football, and when a town hall meeting will occur to discuss these issues further.

Mr. Willie Merritt noted his opposition to further improvements in the greenspace area near Lake Charlotte.

Mr. Chao inquired as to whether the District is taking the lead on greater neighborhood security patrols and Director Kirby noted that the District may look into contracting for security patrols if public support warrants. It was noted that the expense of such patrols can be significant.

Mr. Charles Swindell inquired as to whether the District and the HOA may be interested in partnering on construction of a meeting room / clubhouse.

Ms. Lynne Boynton thanked the Board of Directors for their working within the community and requested that the District hold another joint meeting with the HOA.

Ms. Cynthia Coufal noted her opposition to additional parking and the pavilion at the Lake Charlotte greenspace.

Ms. Teresa Morales noted her opposition to the proposed parking lot.

Ms. Bailey noted her opposition to the parking lot.

Mr. Fleming Morris noted his concern that a park in the Lake Charlotte area will invite “undesirables” to the area.

Mr. Gary Chevaliere noted his opposition to the pavilion and parking lot in the Lake Charlotte area.

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

Secretary