

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 118

Minutes of Meeting of the Board of Directors

March 14, 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 March 14, 2017 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

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, Tracy Butcher, Dana Davis, Michael Gurka, Tobin Synatschk, Romain Barski, Christie Leighton, Chief Wooley, Paul S. Radich, 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 February 22, 2017. After brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.

2. At 6:03 p.m., the Board entered in executive session pursuant to Texas Government Code §§551.071 and 551.074. At 6:48 p.m., the Board exited executive session.

3. Chief Wooley gave an update regarding the Pecan Grove Volunteer Fire Department.

4. Mr. Goodall reported that Director Kirby resigned his position on the Board and that the remaining Board members are now empowered to appoint his replacement to fill the remainder of his term. The Board will accept applications for the appointment through the end of the District’s April 11, 2017 Board of Directors meeting and said submissions shall be directed to the Board members or Mr. Goodall’s office for distribution to the Board members. The Board will discuss the appointment process further at the District’s April 11, 2017 meeting.

5. Christie Leighton presented a quarterly report from Best Trash.

6. The Board opened the floor for public comments. Bernie Schneider and Erma Acosta noted that they are not opposed to the planned District splash pad, but are opposed to the planned parking lot and pavilion in their current locations. In addition, Mr. Schneider and

Ms. Acosta are opposed a jogging trail around Lake Charlotte and presented alternative locations for recreational facilities in the District. They noted that they would like continued discussions before a final decision is made regarding the parking lot and pavilion, and hope that a town hall meeting will be held prior to final decisions being made.

Mr. David Schafer voiced opposition to a walking trail around Lake Charlotte.

Ms. Mary Hodges noted that she is in favor of the play area and pavilion as currently planned, but prefers that the District avoid building a parking lot and does not think there is a need for the parking lot.

Director Benoliel then noted that the District had taken steps in the parking lot design to take neighbors' concerns into consideration, including reducing the size of the parking lot, installing decorative pavers, and increased landscaping to shield the parking lot. The Board continues to consider moving the pavilion from the Lake Charlotte area. Director Benoliel noted that there will be a town hall meeting held at a later date to solicit public input on the projects.

7. The Board next considered the tax assessor/collector's report, copy attached. The District's 2016 taxes are 96.3% collected. Mr. Goodall reported that a refund had been provided to a customer for penalty and interest associated with a mistake in recordkeeping at the Central Appraisal District and tax office. 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. Tracy Butcher presented the operator's report, copy attached. The District accounted for 93.3% of water produced and maintained 1,384 connections. Mr. Butcher reviewed the sidewalk improvement project, and maintenance items for the month. The Board approved moving forward with a proposal from Texas Fence in the amount of \$25,515 for the offsite well fence replacement. In addition, the Board approved the Resolution Authorizing Treasury Management Services and authorizing the operator to make deposits into the District's Compass Bank accounts, as required by Compass Bank's new internal policies.

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.

9. Dana Davis presented a bookkeeper's report, copy attached. The District's operating fund balance is \$3,548,821.77, and the capital projects fund balance is \$1,524,494.68. The District's debt service fund balance is \$4,443,780.40. 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.

10. Michael Gurka and Tobin Synatschk presented an engineer's report, copy attached. The Year 3 Annual MS-4 report was submitted to the TCEQ. The engineers noted an unauthorized discharge at 4203 Fisher Lake Drive, Richmond, Texas 77406 on/around February 15, 2017. After discussion, it was revealed that the resident of the address in question had been pumping water from the pool into the District's storm sewer system. Mr. Goodall noted that this is a violation of the District's storm water prevention plan and rate order and is subject to a penalty in an amount not to exceed \$10,000. The Board discussed the possibility of levying a penalty in an amount of \$1,000. The Board authorized Mr. Goodall to provide a formal violation notice letter to the resident based on the facts provided. More information regarding this issue will be discussed at the District's April 11, 2017 Board of Directors meeting. The hydropneumatic tank repairs continue, and a TCEQ response to Bond Application Report No. 8 is expected by March 23, 2017. A preconstruction meeting was held on March 7, 2017 and a Notice to Proceed was issued for the wastewater treatment plant improvements. Substantial completion is expected for the water plant PLC project by April 29, 2017. The engineers for the District and Ford Bend County Municipal Utility District No. 146 continue to work with the attorneys for both districts regarding the proposed interconnect with Fort Bend County Municipal Utility District No. 146. Design of the reclaimed water project continues. The solicited proposals for the parking lot project exceeded the \$75,000 benchmark and thus the District authorized the engineer to advertise the project as required by law for projects in excess of \$75,000. The splash pad project design is final, and the engineers will publically advertise the project and expect to have bids by Monday, March 27, 2017. The engineer requested a proposal from Greenscape Associates for landscaping improvements at the proposed parking lot facility at the request of the park committee. The Board reviewed the proposal with the engineers and it was noted that the additional screening improvements is estimated to cost between \$5,000 and \$11,000. No final decision was made at the time as the Board will discuss the parking lot project further at the District's April 11, 2017 Board of Directors meeting. 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.

11. The Board considered an update from Romain Barski. Ms. Barski noted that the Girl Scout bins are being used and requested that the District provide the language to Ms. Barski for park rule signs to be placed on the Lake Charlotte area.

12. The Board then considered the arbitrage analysis report. Mr. Goodall explained that the report ensures that the District remains compliant with applicable IRS regulations regarding arbitrage and, after review, the Board unanimously accepted the report as presented.

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

Secretary