

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

March 21, 2018

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 151 (the "District") met in regular session, open to the public, on the 21st day of March, 2018, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Keith Gier	President
Jennifer Keller	Vice President
Jordan C. Konesheck	Secretary
Sean R. Fitzsimmons	Assistant Secretary
Kara Morrison	Assistant Vice President

and all of the above were present except Director Keller, thus constituting a quorum.

Also present at the meeting were Louis James, resident of the District; Josh Wailes of Mike Stone Associates, Inc. ("MSA"); Justin Klump of Storm Water Solutions, LP ("SWS"); Elizabeth Reeves of Inframark Water & Infrastructure Services ("Inframark"); Laura Flores of Tax Tech, Inc.; Cheryl Rogers of Jones & Carter, Inc. ("J&C"); Mary Lutz of McLennan & Associates, L.P. ("M&A"); and Whitney Higgins and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 2, 2018, special meeting and the February 21, 2018, regular meeting, which were provided in advance of the meeting. Following review and discussion, Director Gier moved to approve the minutes as submitted. Director Konesheck seconded the motion, which passed by unanimous vote.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

GARBAGE COLLECTION AND RECYCLING SERVICES

There was no discussion on this matter.

DISTRICT WEBSITE

There was no discussion on this matter.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lutz distributed and reviewed the bookkeeper's report, a copy of which is attached, including the schedule of investments, energy billing report, budget comparison, and list of checks presented for payment. After review and discussion, Director Gier moved to approve the bookkeeper's report and payment of the bills. Director Morrison seconded the motion, which passed unanimously.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2012 BONDS

The Board reviewed the interim arbitrage rebate report for the District's \$6,500,000 Unlimited Tax Bonds, Series 2012 from OmniCap Group LLC, noting that there is no payment due to the Internal Revenue Service. Following review and discussion, Director Gier moved to accept the report and direct that it be filed appropriately and retained in the District's official records. Director Konesheck seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Flores distributed and reviewed the tax assessor/collector's report, including a list of bills presented for payment, a copy of which is attached. After review and discussion, Director Gier moved to approve the tax assessor/collector's report and payment of the tax bills. Director Morrison seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Ms. Rogers distributed and reviewed the engineer's report, a copy of which is attached.

Ms. Rogers updated the Board on the status of the reclaimed water system Phase II project, as reflected in her report. She reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$12,060 and Change Order No. 1 to increase the contract in the amount of \$4,915, submitted by Hassell Construction Company, Inc. ("Hassell"). The Board determined that Change Order No. 1 is beneficial to the District.

Ms. Rogers updated the Board on the status of the water plant no. 1 and remote well improvement project, as reflected in her report. She stated she had no action items for the Board's consideration.

Ms. Rogers updated the Board on the status of the wastewater treatment plant access road relocation project, as reflected in her report. She stated she had no action items for the Board's consideration.

Ms. Rogers updated the Board on the status of the Lake Firethorne bank improvements and erosion repair project, as reflected in her report. She reviewed and recommended approval of Invoice No. 28178 in the amount of \$41,327, submitted by D.L. Meacham Construction. Ms. Rogers recommended holding the check until the contractor completes the remaining hydromulching.

Ms. Rogers updated the Board on the status of the Joan Collier Trace culvert crossing improvement project. She stated she had no action items for the Board's consideration.

After review and discussion, Director Gier moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 2 in the amount of \$12,060 submitted by Hassell, as recommended; (3) approve Change Order No. 1 to increase the contract in the amount of \$4,915, submitted by Hassell, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (4) approve Invoice No. 28178 in the amount of \$41,327, submitted by D.L. Meacham Construction, and direct the District's bookkeeper to hold the check pending completion of the hydromulching. The motion was seconded by Director Konesheck and passed by unanimous vote.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") PHASE II SMALL MS4 GENERAL PERMIT

There was no discussion on this matter.

UPDATE ON SURPLUS FUNDS APPLICATION

Ms. Higgins updated the Board on the status of the surplus funds application. She stated the TCEQ has requested a revision to the Resolution Authorizing Application to the TCEQ for Use of Surplus Funds to add a request for a waiver of the 30% developer contribution. The Board then considered adopting the Resolution Authorizing Application to the TCEQ for Use of Surplus Funds, as revised. After review and discussion, Director Gier moved to adopt the Resolution Authorizing Application to the TCEQ for Use of Surplus Funds and direct that the Resolution be filed appropriately and retained in the District's official records. Director Morrison seconded the motion, which passed by unanimous vote.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no discussion on this matter.

MAINTENANCE AND MOWING OF DISTRICT FACILITIES, ENVIRONMENTAL MONITORING OF FACILITIES, FEES FOR VIOLATION, AND HEARING AND OPPORTUNITY FOR APPEAL FOR WITHHOLDING TAP SERVICE FOR NONPAYMENT OF BACKCHARGES

Mr. Klump distributed the builder inspection program and mowing and maintenance report, a copy of which is attached. He noted that seven notices of inspection and zero notices of violation were issued to builders. Mr. Klump reviewed the back charges and receivables reflected in his report, noting the outstanding receivables over 60 days' delinquent.

Mr. Klump next reviewed a summary of the mowing and maintenance work completed at District facilities during the prior month, as reflected in his report.

Mr. Klump updated the Board on the status of the two empty lots near the drill site along Wood Lily Drive. He stated the Firethorne Community Association has begun improvements on the lots.

Following review and discussion, Director Gier moved to approve the builder inspection program and mowing and maintenance report. The motion was seconded by Director Fitzsimmons and carried by unanimous vote.

PARK AND LANDSCAPE MATTERS

Ms. Ramirez reviewed a proposal in the amount of \$11,000 from Bluegrass Maintenance, Inc. ("Bluegrass") for cleanup of the shoreline of the lakes along the eastern portion of South Firethorne Road. After review and discussion, Director Gier moved to approve the proposal. Director Konesheck seconded the motion, which passed by unanimous vote.

MANAGEMENT AND MAINTENANCE OF DISTRICT FACILITIES

Mr. Wailes distributed and reviewed a report from MSA regarding management and maintenance of District fire station facilities and landscaping, a copy of which is attached. He reported on facility inspections conducted during the prior month and the status of previously authorized maintenance and repairs, as reflected in MSA's report.

Mr. Wailes stated that MSA received information from two contractors regarding the replacement of the deck at Lake Firethorne. He stated initial cost estimates ranged from \$24,000-\$72,000 for the replacement of the deck, depending on the type of material used. Discussion ensued regarding the life expectancy of the various materials. After review, the Board requested MSA obtain additional estimates from other contractors.

The Board reviewed a report from Lake Management Services, L.P. ("LMS") regarding lake maintenance in the District, a copy of which is attached.

Mr. Wailes reviewed LMS' report on the annual fish survey. He stated LMS recommends fish restocking in the amount of \$3,777.

Mr. Wailes noted that he previously reported that the well control unit in the east detention pond requires replacement in the amount of \$3,613.50. He stated that LMS believes the failure was possibly caused by the freeze in January 2018.

Mr. Wailes reported on lights out at several District mailbox kiosks. After discussion, the Board requested Inframark provide cost estimates for replacement of the lights and fixtures with LED lights for all the mailbox kiosks. The Board requested Bluegrass change the lights that are out if it requires changing the bulb only.

Mr. Wailes updated the Board on the status of duck trapping in the District.

After review and discussion, Director Gier moved to (1) approve the report from MSA; (2) approve the proposal in the amount of \$3,777 from LMS for fish restocking; and (3) approve the proposal in the amount of \$3,613.50 from LMS for the well control unit replacement. Director Fitzsimmons seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Ms. Reeves distributed and reviewed the operator's report, a copy of which is attached. She reviewed maintenance and repair work included in Inframark's monthly invoice and reported on tap installations. Ms. Reeves reviewed the water production report and noted that water accountability for the prior billing cycle was 104.52%.

Ms. Reeves updated the Board on the status of smart meter installation in the District.

Ms. Reeves reviewed two abandoned accounts with an outstanding balance in excess of \$25.00, and requested authorization to turn over the accounts to the collection agency to pursue collection.

Ms. Reeves discussed a request from a resident for installation on a second meter for a private fire line. She stated that the total cost for installation of a second meter is \$10,750. Discussion ensued. After review, the Board concurred to take no action on the request.

Ms. Reeves reviewed a letter that will be distributed to residents regarding setup of an online account of the smart meters. The Board requested the letter be added to the District's website.

After review and discussion, Director Gier moved to (1) approve the operator's report; and (2) authorize Inframark to turn over the accounts with an outstanding

balance in excess of \$25.00 to the collection agency. Director Fitzsimmons seconded the motion, which carried by unanimous vote.

HEARING ON TERMINATION OF SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

Ms. Reeves reviewed the list of delinquent accounts and reported that the persons on the termination list provided to the Directors were mailed written notice prior to this meeting in accordance with the District's Rate Order, notifying them of the opportunity to appear before the Board to explain, contest, or correct the utility service bill and show reason why utility service should not be terminated for reason of nonpayment. The Board conducted a hearing on the termination of utility service to delinquent accounts. After review and discussion, Director Gier moved to authorize termination of service to the delinquent accounts presented if payment is not received prior to scheduled termination since none of the residents on the termination list were either present at the meeting or presented any statement on the matter, in accordance with procedures set forth in the District's Rate Order. Director Fitzsimmons seconded the motion, which carried by unanimous vote.

APPROVE ANNUAL REPORT ON WATER CONSERVATION PLAN AND AUTHORIZE SUBMITTAL TO THE NORTH FORT BEND WATER AUTHORITY

Ms. Reeves stated that Inframark is preparing the annual report on the District's water conservation plan and will present the report at the next regular Board meeting.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board conducted an annual review of the District's Drought Contingency Plan. Ms. Higgins reported that there are no recommended changes.

DISCUSS OPTIONS FOR FIRE PROTECTION SERVICES FOR THE DISTRICT AND AUTHORIZE APPROPRIATE ACTION, IF NECESSARY

There was no discussion on this matter.

DIRECTOR AND DISTRICT CONSULTANT REPORTS

There was no discussion on this matter.

2018 DIRECTORS ELECTION

Ms. Higgins updated the Board on the status of the 2018 Directors Election.

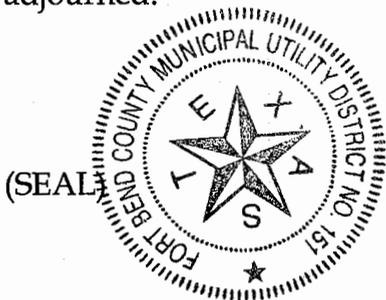
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board convened in Executive Session at 1:00 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board reconvened in Open Session at 1:45 p.m. No action was taken.

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



Jordan C. Konesheek
Secretary, Board of Directors

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