

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

April 18, 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 18<sup>th</sup> day of April, 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, thus constituting a quorum.

Also present at the meeting were Kristin Taliaferro and Louis James, residents of the District; Anthea Moran of Masterson Advisors LLC ("Masterson"); 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 March 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 Fitzsimmons seconded the motion, which passed by unanimous vote.

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

Ms. Higgins stated that the District received a draft form of Agreement for Automatic Aid Assistance (the "Agreement") between the District and the City of Katy. She discussed the terms of the Agreement. The Board considered approving the Agreement as to form only, subject to receipt of final comments from the City of Katy and review by ABHR, subject to finalization of the exhibits, and subject to final review and approval of the Agreement. Director Fitzsimmons discussed the timeline of events related to the change in fire protection services and requested the Board authorize a website notice regarding fire protection services.

The Board considered a proposal in the amount of \$529,146.00 for purchase of a fire truck to be stationed at the District's fire station and operated by the City of Katy Fire Department. A copy of the proposal is attached.

Ms. Taliaferro inquired whether the City of Katy has entered into a fire protection agreement with other municipal utility districts and if the cost to the residents will increase with the change in fire protection provider. Discussion ensued.

The Board considered scheduling an in-District meeting with the City of Katy Fire Department to present information regarding fire protection services to residents.

Ms. Higgins requested the Board authorize ABHR to send a response letter to Fort Bend County Emergency Services District No. 4 ("ESD No. 4") regarding ESD No. 4's letter, dated March 27, 2017, terminating the Fire Protection Agreement between the District and ESD No. 4, subject to final approval of the Agreement.

After review and discussion, Director Fitzsimmons moved to (1) approve the Agreement as to form only; (2) authorize a website notice regarding fire protection services; (3) approve the proposal in the amount of \$529,146.00 for the fire truck; (4) schedule a special meeting in the District on May 1 or 3, 2018, at 6:30 p.m. and authorize a website notice regarding the meeting; and (5) authorize ABHR to send a response letter to ESD No. 4, subject to final approval of the Agreement. Director Gier seconded the motion, which passed by unanimous vote.

#### COMMENTS FROM THE PUBLIC

The Board reviewed correspondence regarding open records requests received by the District, copies of which are attached.

#### GARBAGE COLLECTION AND RECYCLING SERVICES

There was no discussion on this matter.

#### DISTRICT WEBSITE

The Board requested notices be added to the District website regarding the 2018 Directors Election and the District's tax rate.

#### 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 Keller seconded the motion, which passed unanimously.

Ms. Moran stated that she has left Hilltop Securities and is now a part of Masterson. She requested the Board add an agenda item to consider entering into a new financial services contract. After review and discussion, the Board concurred to add an agenda item to consider a new financial services contract at the next regular Board meeting.

#### 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. She reported that the District's 2018 preliminary value is \$1,075,792,916. The Board also reviewed a delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, LLP, 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 Fitzsimmons 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. 3 in the amount of \$147,091.50, submitted by Hassell Construction Company, Inc. ("Hassell").

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 that the construction plans indicated there was only one line that would need to be relocated, but a second irrigation line was discovered during construction. Ms. Rogers stated that the irrigation line was installed by Bluegrass Maintenance, Inc. ("Bluegrass") as part of a contract with the developer approximately ten years prior. Discussion ensued. After review and discussion, the Board requested Bluegrass attend the next meeting to discuss the issue. Ms. Rogers then reviewed and recommended approval of Change Order No. 1 in the amount of \$9,500, submitted by DVL Enterprises, LLC ("DVL"), to relocate the irrigation line. The Board determined that the Change Order is beneficial to the District.

Ms. Rogers updated the Board on the status of the Lake Firethorne bank improvements and erosion repair project, as reflected in her report. She stated that

Bluegrass reported damage to irrigation lines as a result of the work. Ms. Rogers stated that J&C is coordinating with the contractor, D.L. Meacham Construction ("D.L. Meacham"), to have the lines repaired. She presented a proposal from Bluegrass in the estimated amount of \$2,000 for repair of the irrigation lines in the event D.L. Meacham does not complete the repairs in a timely manner.

Ms. Rogers also reported that D.L. Meacham completed the required hydromulching, but the hydromulching did not establish and there is silt runoff into the lake. She stated D.L. Meacham will not complete the work as they assert site restoration was not included in the project scope. Ms. Rogers stated that J&C believes site restoration is industry standard and will follow up with the contractor and request they complete the work. In the event the contractor does not complete the work in a timely manner, Ms. Rogers stated Bluegrass provided two proposals to complete the work, one in the amount of \$5,500 to sod the entire area and another in the amount of \$3,500 to strip sod some areas and hydromulch the remaining areas. Discussion ensued.

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. 3 in the amount of \$147,091.50, submitted by Hassell, as recommended; (3) approve Change Order No. 1 to increase the contract in the amount of \$9,500, submitted by DVL, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (4) approve the proposal from Bluegrass in the estimated amount of \$2,000 for irrigation repairs only if D.L. Meacham does not complete the irrigation repairs in a timely manner; (5) direct the District's bookkeeper to release the check to D.L. Meacham and hold the remaining amount on the contract subject to completion of the irrigation repairs; and (6) approve the proposal from Bluegrass in the amount of \$5,500 for site restoration only if D.L. Meacham does not complete the site restoration in a timely manner. The motion was seconded by Director Keller 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. Rogers updated the Board on the status of the surplus funds application. She stated the application is under review by the TCEQ.

## NORTH FORT BEND WATER AUTHORITY MATTERS

Ms. Reeves reported that the District received the information for the District's enrollment in the 2018 Larry's Toolbox program.

## 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 eight 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. Discussion ensued regarding maintenance of the drainage channels.

The Board discussed the drill site and the two empty lots near the drill site along Wood Lily Drive.

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

## PARK AND LANDSCAPE MATTERS

The Board reviewed correspondence from a resident regarding the lights at the Texas Laurel mailbox kiosk, a copy of which is attached. The Board discussed replacing the lights at the Texas Laurel mailbox kiosk with LED lights. The Board reviewed a previous proposal from Inframark for the replacement of the light fixtures and LED bulbs at the Texas Laurel mailbox kiosk in the amount of \$1,720. The Board also reviewed an estimate provided by the Firethorne Community Association for replacement of all the existing bulbs at the District's mailbox kiosks with LED bulbs in the amount of \$5,500. Ms. Reeves reviewed an additional proposal from Inframark for replacement of the light fixtures and LED bulbs at all nine mailbox kiosks in the amount of \$18,920.

Ms. Ramirez then presented the following proposals from Bluegrass for replacement of damaged or missing landscaping and general landscape improvements in the following areas:

1. Canyon Wren Bridge, in the amount of \$900;

2. Draycutt Mailbox Kiosk, in the amount of \$225;
3. F.M. 1463, in the amount of \$2,500;
4. South Firethorne Rd. (West), in the amount of \$26,992;
5. McDonough Way Mailbox Kiosk, in the amount of \$675
6. Prairie Dancer Mailbox Kiosk, in the amount of \$1,720;
7. Savannah Hawk Mailbox Kiosk, in the amount of \$1,870;
8. South Firethorne Rd. (North) Lake, in the amount of \$780;
9. Stonestead Mailbox Kiosk, in the amount of \$300; and
10. Texas Laurel Mailbox Kiosk, in the amount of \$126.

After review and discussion, Director Keller moved to (1) approve the proposal in the amount of \$18,920 from Inframark for replacement of the fixtures and bulbs at all nine mailbox kiosks; and (2) approve the ten proposals from Bluegrass for replacement of landscaping, contingent upon the work being completed on property owned by the District and for landscaping damaged by the freeze only. Director Konesheck seconded the motion, which passed unanimously.

#### 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.

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 information regarding useful life and cost estimates for composite material or treated lumber for replacement of the deck at Lake Firethorne.

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

After review and discussion, Director Morrison moved to approve the report from MSA. 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 97.63%.

Ms. Reeves discussed a request from a resident for installation of a larger meter on his house line. Discussion ensued. After review, the Board concurred to take no action on the request.

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

Ms. Reeves reviewed a draft of the District's Consumer Confidence Report, a copy of which is attached to the operator's report.

Ms. Reeves requested the Board approve a proposal in the amount of \$386 for door hangars regarding the new smart meters, to be distributed after all smart meter installations are complete.

After review and discussion, Director Fitzsimmons moved to (1) approve the operator's report; and (2) approve the proposal in the amount of \$386 for door hangars regarding the smart meters. Director Keller 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 Fitzsimmons 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 Keller seconded the motion, which carried by unanimous vote.

CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM

Ms. Reeves discussed the District's Identity Theft Prevention Program ("Program") and stated that Inframark, as Program administrator, is required to submit an annual written report evaluating the effectiveness of the Program in addressing identity theft risk, identifying any significant incidents of identity theft detection, including any prevention or mitigation steps taken, and providing any recommendations or changes to the Program. She distributed and reviewed an annual report on the Program and stated that no incidents of identity theft were detected and no changes to the Program are recommended at this time. A copy of the Identity Theft Prevention Program annual report is attached to the operator's report.

AGREEMENT FOR USE OF FACILITIES FOR TRIATHLON

The Board discussed the September 23, 2018, triathlon event in the District and the District facilities that will be used for the event. Ms. Higgins presented an Agreement for Use of Facilities between the District, the Firethorne Community Association ("HOA"), and the Rotary Club of Katy, the organization conducting the event. After review and discussion, Director Fitzsimmons moved to approve the Agreement for Use of Facilities and direct that the Agreement be filed appropriately and retained in the District's official records. Director Keller seconded the motion, which passed unanimously.

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. The Board considered scheduling a special meeting to canvass the results of the election. After discussion, the Board concurred to schedule a special meeting on May 11, 2018.

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 did not convene in Executive Session.



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

(SEAL)



*Kara Morrison*

~~Secretary~~, Board of Directors  
Asst. Vice President

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