

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

May 16, 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 16th day of May, 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 Directors Konesheck and Fitzsimmons, thus constituting a quorum.

Also present at the meeting were Stephen Brady, resident of the District; Louis James, director-elect; Anthea Moran of Masterson Advisors LLC ("Masterson"); Christopher Hill of 180 Messaging; Christie Leighton of Best Trash, LLC; Mark Janik and Brian Kraushaar of Bluegrass Maintenance, Inc. ("Bluegrass"); 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.; Robert Dazey and Cheryl Rogers of Jones & Carter, Inc. ("J&C"); Mary Lutz and Stephanie Nagel of McLennan & Associates, L.P. ("M&A"); and Whitney Higgins and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

2018 DIRECTORS ELECTION

ADOPT ORDER CANVASSING RETURNS AND DECLARING RESULTS OF DIRECTORS ELECTION

The Board reviewed the certified returns from Fort Bend County for the District's May 5, 2018, Directors Election. Ms. Higgins presented an Order Canvassing Returns and Declaring Results of Directors Election, reflecting the following results, as indicated in the certified returns:

Candidate Ballot Position	Candidate Name	Candidate Votes Early Voting	Candidate Votes Election Day	Candidate Total Votes
1	Sean R. Fitzsimmons	62	39	101
2	Jordan C. Konesheck	40	33	73
3	Louis James	63	30	93

Director Gier, President of the Board, noted the completion of the canvass of the returns of the election pursuant to Section 67.004(g), Texas Election Code. After review and discussion, Director Keller moved to adopt the Order Canvassing Returns and Declaring Results of Directors Election, reflecting that Sean R. Fitzsimmons and Louis James have been elected to the Board of Directors each to serve a four-year term, and direct that the Order be filed appropriately and retained in the District's official records. Director Morrison seconded the motion, which passed by unanimous vote.

APPROVE AND DISTRIBUTE CERTIFICATES OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Sean R. Fitzsimmons and Louis James to the Board of Directors of the District each for a four-year term. After review and discussion, Director Keller moved to approve the Certificate of Election and the distribution of same to Directors Fitzsimmons and James, and direct that the Certificate be filed appropriately and retained in the District's official records. Director Morrison seconded the motion, which passed by unanimous vote.

APPROVE DIRECTORS' SWORN STATEMENTS, BONDS, AND OATHS OF OFFICE

Ms. Higgins reviewed the Sworn Statement and Oath of Office for Director Fitzsimmons and the Sworn Statement, Official Bond, and Oath of Office for Director James. After review and discussion, Director Keller moved to approve the Sworn Statement and Oath of Office for Director Fitzsimmons and the Sworn Statement, Official Bond, and Oath of Office for Director James and direct that the documents be filed appropriately and retained in the District's official records, and that the Oaths of Office be filed with the Secretary of State as required by law. Director Morrison seconded the motion, which passed unanimously.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Higgins reviewed a memorandum regarding the Texas Open Meetings Act and Texas Public Information Act prepared by ABHR, a copy of which is attached.

CONFLICT OF INTEREST DISCLOSURE AND LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Higgins next reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. She reviewed the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District and reviewed time periods for such filings. Ms. Higgins reviewed the List of Local Government Officers. After review and discussion, Director Keller moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Gier seconded the motion, which passed by unanimous vote.

REORGANIZE BOARD AND ELECT OFFICERS

The Board considered reorganizing the Board of Directors. Following discussion, Director Gier moved to reorganize the Board as follows:

Keith Gier	President
Jennifer Keller	Vice President
Sean R. Fitzsimmons	Secretary
Louis James	Assistant Secretary
Kara Morrison	Assistant Vice President

Director Keller seconded the motion, which passed by unanimous vote.

AUTHORIZING FILING OF DISTRICT REGISTRATION FORM WITH TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ")

The Board then considered authorizing filing of an updated District Registration Form with the TCEQ, reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director Keller moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Gier seconded the motion, which passed by unanimous vote.

MINUTES

The Board considered approving the minutes of the April 18, 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 Keller seconded the motion, which passed by unanimous vote.

COMMENTS FROM THE PUBLIC

Mr. Brady thanked the Board for holding the 2018 Directors Election and inquired why the Board meetings are not held in the District. Discussion ensued regarding the location for the regular meetings and potentially scheduling periodic in-District meetings. Mr. Brady also asked the Board for increased communication with residents.

Mr. Brady distributed a handout regarding sidewalk lifting around manhole locations in the District, a copy of which is attached, and requested the Board repair the sidewalks. Ms. Reeves stated that the District only repairs sidewalks if the cause of the damage is related to a District facility, otherwise Fort Bend County is responsible for sidewalk repairs in the District. The Board requested Ms. Reeves provide a proposal at the next regular meeting for a manhole survey to determine if there are any District facilities located near the damaged sidewalks.

GARBAGE COLLECTION AND RECYCLING SERVICES

Ms. Leighton discussed garbage and recycling services in the District. Director James reported that trash cans are being left in the middle of the street. Ms. Leighton stated she will address it with the collectors.

DISTRICT WEBSITE

The Board discussed content on the District website. The Board requested the minute attachments be posted to the website.

REVIEW PROPOSAL FROM 180 MESSAGING FOR MESSAGING AND COMMUNICATION SERVICES, AND AUTHORIZE APPROPRIATE ACTION IF NECESSARY

Mr. Hill presented and reviewed a proposal from 180 Messaging for messaging and communication services, a copy of which is attached, and stated that services are provided on an hourly basis with a \$3,000 retainer per month. The Board requested Mr. Hill provide additional examples of his work. After discussion, the Board concurred to defer action on the proposal, pending further review by the Board.

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. Ms. Lutz also presented and reviewed a proposed amended budget for fiscal year end August 31, 2018.

After review and discussion, Director Keller moved to (1) approve the bookkeeper's report and payment of the bills; and (2) adopt the amended budget for fiscal year end August 31, 2018. Director Morrison seconded the motion, which passed unanimously.

DISCUSS FINANCIAL ADVISORY SERVICES, INCLUDING, IF APPROPRIATE, TERMINATE FINANCIAL ADVISORY CONTRACT WITH FIRST SOUTHWEST (HILLTOP SECURITIES) AND AUTHORIZE EXECUTION OF NEW CONTRACT WITH MASTERSON ADVISORS

Ms. Moran introduced herself to the Board and explained the role of a financial advisor.

Ms. Moran stated she is no longer employed with Hilltop Securities, Inc., ("Hilltop") and requested the Board consider engaging Masterson for its financial advisory services. She then reviewed a financial advisory contract with Masterson, which Ms. Higgins stated has been reviewed by ABHR. Following review and discussion, Director Gier made a motion to (1) authorize ABHR to send notice of termination of its financial advisory services agreement with Hilltop to Hilltop and request a waiver of the 30-day termination clause; (2) engage Masterson for financial advisory services; and (3) approve the financial advisory contract with Masterson. Director James seconded the motion, which carried unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines in anticipation of the Association of Water Board Directors summer conference. After discussion, Director Gier moved to authorize payment of up to four per diems, reimbursement of hotel expenses for a maximum of three nights, and reimbursement for reasonable and necessary meals for Board members attending the summer conference, all to be submitted in accordance with the District's Travel Reimbursement Guidelines. The motion was seconded by Director Morrison and carried 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 James moved to approve the tax assessor/collector's report and payment of the tax bills. Director Keller 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. 4 in the amount of \$199,476, 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 reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$147,330, submitted by DVL Enterprises, LLC ("DVL"). The Board then discussed the irrigation line installed through the temporary land bridge. Mr. Kraushaar stated that the irrigation line was installed through the temporary land bridge instead of under the pilot channel due to issues with maintaining adequate pressure. He stated the original intention was to reroute the line to Section 16 once development began. In response to a question from the Board, Mr. Kraushaar stated Bluegrass submitted an as-built drawing to Clark Condon Associates that reflected that change in plans. The Board requested Bluegrass provide any available records or documentation on this subject.

Ms. Rogers reported that J&C received a right-of-entry request from Fort Bend County ("FBC"), for work related to the expansion of Crossover Road. She stated that FBC is required to regrade an area located on District property. Ms. Rogers stated J&C has no objection and requested authorization to prepare a right-of-entry agreement.

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 J&C met onsite with D.L. Meacham Construction ("D.L. Meacham") and Bluegrass to discuss irrigation repairs and site cleanup. She stated D.L. Meacham anticipates beginning irrigation system repairs and site cleanup the following week.

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.

Ms. Rogers inquired about the extreme event swale on S. Firethorne Road, noting the Board had previously considered contracting for landscaping and fence improvements. After review and discussion, the Board requested J&C obtain a

proposal improvements commensurate with other areas, including a proposal for landscaping and a fence and another proposal for landscaping only.

Ms. Rogers updated the Board on the status of the proposed sound wall along FM 1463 in the Texas Department of Transportation ("TXDOT") right-of-way. She stated that TXDOT will hold a noise workshop for affected residents on June 28, 2018. Ms. Rogers stated J&C will meet with the TXDOT regarding the 60% utility coordination on June 15, 2018.

After review and discussion, Director Keller moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 4 in the amount of \$199,476, submitted by Hassell, as recommended; (3) approve Pay Estimate No. 1 in the amount of \$147,330, submitted by DVL, as recommended; and (4) authorize preparation of a right-of-entry agreement. The motion was seconded by Director Gier and passed by unanimous vote.

TCEQ PHASE II SMALL MS4 GENERAL PERMIT

Ms. Rogers requested authorization for Inframark to include the MS4 stormwater flyer in the next utility bill. After review and discussion, Director Keller moved to authorize Inframark to include the MS4 stormwater flyer in the next utility bill. Director Gier seconded the motion, which passed by unanimous vote.

UPDATE ON SURPLUS FUNDS APPLICATION

Ms. Rogers updated the Board on the status of the surplus funds application. She stated the application is still under review by the TCEQ.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") MATTERS

Ms. Ramirez reported that the NFBWA has requested to attend a future meeting to discuss NFBWA matters.

Ms. Reeves reported that the District received the information for the District's water bill messaging language from the NFBWA.

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 five 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.

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

Ms. Reeves reported that the electrical panel for lights at the Texas Laurel requires replacement due to corrosion. After review and discussion, Director Gier moved to approve the replacement of the electrical panel for a cost not to exceed \$5,000. Director Keller 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 a water oak near the parking lot is showing signs of stress and presented a proposal in the amount of \$393.33 for aeration only and a proposal in the amount of \$466.82 for replacement of the tree.

Mr. Wailes stated that there is poor turf growth near the flag pole due to poor soil quality. He presented a proposal in the amount of \$818.28 to perform soil amendments and re-sod the area.

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 stated that LMS reported a fountain in the east lake No. 2 is inoperable due to damage in the motor and LMS will provide a cost estimate for repair at the next Board meeting.

Mr. Wailes reported that LMS restocked fish in Lake Firethorne on May 3, 2018.

After review and discussion, Director Gier moved to approve the report from MSA. Director Keller seconded the motion, which passed unanimously. The Board took no action on the proposals.

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 95.39%.

She reviewed one abandoned account with an outstanding balance of less than \$25.00, and requested authorization to write off the account to the uncollectible ledger.

Ms. Reeves updated the Board on the status of smart meter installation in the District. She requested authorization to add the informational flyer regarding the online portal for smart meters on back of the utility bill.

Ms. Higgins stated that the resident who previously requested a larger meter at his residence has asked for a written response regarding his request. She requested the Board authorize Director Gier to execute a response letter on behalf of the District.

After review and discussion, Director Gier moved to (1) approve the operator's report; (2) authorize Inframark to turn over the account with an outstanding balance of less than \$25.00 to the uncollectible ledger; and (3) authorize Director Gier to execute a response letter to the resident. 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 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 Keller seconded the motion, which carried by unanimous vote.

APPROVE CONSUMER CONFIDENCE REPORT

Ms. Reeves reviewed the District's proposed 2017 Consumer Confidence Report ("CCR"). She stated that the CCR must be mailed to District customers and filed with the TCEQ by July 1, 2018. After review and discussion, Director Gier moved to approve

the CCR and authorize distribution of the CCR to District customers and filing of the certificate of mailing with the TCEQ. Director Keller seconded the motion, which passed unanimously.

CRITICAL LOAD SPREADSHEET

Ms. Higgins reviewed the District's current Critical Load Spreadsheet ("CLS"), noting that ABHR worked with the District's bookkeeper, operator, and engineer to review and update the CLS as necessary. After review and discussion, Director Gier moved to authorize filing of the District's CLS with the appropriate governmental agencies. Director Morrison seconded the motion, which passed unanimously.

FIRE PROTECTION SERVICES

Ms. Ramirez updated the Board on the status of the transition in fire protection services to the City of Katy Fire Department.

Ms. Higgins requested the Board authorize Director Gier to execute a letter to Fort Bend Emergency Services District No. 4 ("ESD 4"), acknowledging the letter of termination dated March 27, 2017. After review and discussion, Director Gier moved to authorize Director Gier to execute a letter to ESD 4. Director Morrison seconded the motion, which passed by unanimous vote.

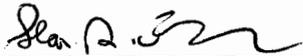
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board did not convene in Executive Session.

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

(SEAL)




Secretary, Board of Directors

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