

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

August 16, 2017

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 August, 2017, 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 Brian Krueger of BKD, LLP ("BKD"); Christine Crotwell of FirstSouthwest, a Division of Hilltop Securities; Matthew May of Best Trash, LLC; Josh Wailes of Mike Stone Associates, Inc. ("MSA"); Justin Klump of Storm Water Solutions, LP ("SWS"); Elizabeth Reeves of Severn Trent Services, Inc. ("ST"); Greg Ordeneaux of Tax Tech, Inc.; Robert Dazey and 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 July 19, 2017, 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.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END AUGUST 31, 2017

Mr. Krueger presented an engagement letter for BKD to prepare the District's audit for the fiscal year ending August 31, 2017 for an estimated cost of \$17,000 plus expenses. After review and discussion, Director Gier made a motion to engage BKD to

conduct the District's audit for the fiscal year ending August 31, 2017. Director Konesheck seconded the motion, which passed unanimously.

#### GARBAGE COLLECTION AND RECYCLING SERVICES, INCLUDING PROPOSAL FROM SIMPLE RECYCLING

Mr. May reviewed a letter from Best Trash, LLC reflecting the annual Consumer Price Index adjustment in the District's monthly rate for garbage and recycling services, a copy of which is attached. He noted the letter reflects an increase from the monthly rate of \$15.35 to a new monthly rate of \$15.71 per connection, effective with the August billing cycle.

The Board then considered possible participation in the Simple Recycling program. The Board discussed feedback received from residents regarding the Simple Recycling program. After review and discussion, the Board concurred to decline participation in the program.

#### 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. She noted the addition of check no. 5172 in the amount of \$4,441.49 to Bluegrass Maintenance for irrigation and maintenance repairs.

Ms. Lutz then reviewed a draft budget for the fiscal year ending August 31, 2018, a copy of which is attached to the bookkeeper's report. The Board requested Ms. Lutz update the budget to reflect the new monthly rate for garbage service.

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

#### TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Ordeneaux distributed and reviewed the tax assessor/collector's report, including a list of bills presented for payment, a copy of which is attached. He also reviewed the District's delinquent accounts list. 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.

Ms. Crotwell distributed and reviewed a debt service tax rate analysis reflecting a recommended 2017 debt service tax rate of \$0.58 per \$100 of assessed valuation. A copy of the debt service tax rate analysis is attached. The Board then discussed setting a maintenance and operations tax. Ms. Crotwell discussed the two-step process for setting the District's tax rate, noting the actual rate levied may be less than the published rate. Following review and discussion, Director Gier moved to authorize the tax assessor/collector to publish a notice in the Katy Times of the District's September 20, 2017, meeting to set the proposed 2017 tax rate of \$0.97 per \$100 of assessed valuation, with \$0.58 allocated to debt service and \$0.39 allocated to maintenance and operations. 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 reported that the District received four bids for the reclaimed water system Phase II project. She recommended that the Board award the contract to the lowest bidder, Hassell Construction Co., Inc. ("Hassell"), in the amount of \$1,619,922. Based on the engineer's recommendation, the Board determined that, in its judgment, the low bidder would be most advantageous to the District and would result in the best and most economical completion of the project.

Ms. Rogers updated the Board on the status of construction of the waterline extension along F.M. 1463, as reflected in her report.

Ms. Rogers updated the Board on the status of the wastewater treatment plant access road relocation project, the water plant improvement project, erosion repair along Lake Firethorne, and the proposed sound wall along F.M. 1463, as reflected in her report.

Ms. Rogers presented a proposal in the amount of \$24,980 from SWS for the backslope drainage repair along Bobby Jones Rd.

Ms. Rogers reported on erosion along the West Channel. She presented a proposal in the amount of \$17,410 from SWS to de-silt the channel and install rip rap for bank stabilization.

Ms. Rogers reviewed the status of ongoing commercial plan reviews.

After review and discussion, Director Gier moved to (1) approve the engineer's report; (2) award the contract for the reclaimed water system Phase II project to Hassell in the amount of \$1,619,922, subject to approval of the bonds and insurance, as recommended; (3) approve the proposal in the amount of \$24,980 from SWS; and (4) approve the proposal in the amount of \$17,410 from SWS for erosion control on the

West Channel. The motion was seconded by Director Konesheck and passed by unanimous vote.

#### NORTH FORT BEND WATER AUTHORITY ("NFBWA") MATTERS

Ms. Higgins reported that Masuen Consulting, LLC, is preparing a report regarding the District's water budget in connection with the District's participation in the 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 16 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 discussed a complaint received from a resident regarding trash on a lot under construction by Coventry Homes. He reported he inspected the site and discussed the matter with the builder. Mr. Klump stated he will conduct a follow up inspection of the site.

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 (1) approve the builder inspection program and mowing and maintenance report; and (2) direct ST to continue to withhold taps from Saratoga Homes until the outstanding charges are paid. The motion was seconded by Director Konesheck and carried by unanimous vote.

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

There was no discussion on this matter.

#### PARK AND LANDSCAPE MATTERS

Ms. Higgins reported that Legacy Power Washing ("Legacy") requested an exemption to the worker's compensation insurance requirement in the proposed Service Agreement with the District. After review and discussion, the Board concurred to deny the request for a waiver of the insurance.

## MANAGEMENT AND MAINTENANCE OF DISTRICT FACILITIES

The Board reviewed a report from Mike Stone Associates, Inc. ("MSA") regarding management and maintenance of District fire station facilities and landscaping, a copy of which is attached.

After review and discussion, Director Gier moved to approve the report from MSA. Director Fitzsimmons seconded the motion, which passed unanimously.

The Board reviewed a report from LMS regarding lake maintenance in the District, a copy of which is attached.

## 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 ST's monthly invoice and reported on tap installations. Ms. Reeves reviewed the water production report and noted that the water accountability for the prior billing cycle was 98.05%.

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

The Board discussed the possible installation of smart meters.

After review and discussion, Director Gier moved to (1) approve the operator's report; and (2) authorize ST to turn over the account with an outstanding balance in excess of \$25.00 to the collection agency. Director Fitzsimmons seconded the motion, which carried by unanimous vote.

## AMEND RATE ORDER

The Board took no action on this item.

## 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.

DISCUSS FIRE PROTECTION AGREEMENT

The Board discussed alternative avenues for fire protection services for the District. After review and discussion, the Board concurred to authorize ABHR to engage in discussions with various agencies for fire protection services and to authorize Director Gier to act as the District's representative in these matters.

The Board reviewed a notice from the Fulshear Simonton Fire Department regarding their new Insurance Services Office protection rating. A copy of the notice is attached.

DIRECTOR AND DISTRICT CONSULTANT REPORTS

There was no discussion on this matter.

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

(SEAL)



Jordan C. Korachek  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
CPI letter from Best Trash, LLC.....	2
Bookkeeper's report,.....	2
Tax assessor/collector's report.....	2
Debt service tax rate analysis.....	3
Engineer's report.....	3
Builder inspection program and mowing/maintenance report.....	4
Report on management and maintenance of District facilities.....	5
Report regarding lake maintenance.....	5
Operator's report.....	5
Notice from the Fulshear Simonton Fire Department.....	6