

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

MARCH 27, 2018

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 131 §

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 131 (the "District") noticed a regular session, open to the public, to be held on Tuesday, March 27, 2018, at 12:00 p.m., at 1980 Post Oak Boulevard, Suite 1380, Houston, Texas 77056, a designated meeting place outside the boundaries of the District. Whereupon the meeting was called to order at 12:03 p.m., and the roll was called of the members of the Board, to-wit:

Curtis R. Campbell	-	President
Gready W. Hunter	-	Vice President
Kevin R. Loeffler	-	Secretary/Treasurer
Gregory Eknoyan	-	Assistant Secretary/Treasurer
Gordon Richardson	-	Assistant Secretary/Treasurer

All members of the Board were present, thus constituting a quorum. Copies of the meeting notices are attached hereto.

Also present at the meeting were Kyle Melgren of SiEnvironmental ("SiEnv"), Operator for the District; Amy Symmank of Myrtle Cruz, Inc. ("MCI"), Bookkeeper for the District; Laura Flores of Tax Tech, Inc. ("TTI"), Tax Assessor/Collector for the District; Michael Rusk and Kathleen Kinchen of LJA Engineering ("LJA"), Engineers for the District; Adam Cohen of R.W. Baird & Co. ("Baird"), Financial Advisors for the District; Marcus Soper II of Forestar (USA), a developer of land within the District; Michael Willett of Triton ("Triton"), website developer/host for the District; Julianne B. Kugle, Laura C. Davis, and Deidra Daniels (paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District; residents Leslie Smith-Boards, Risha Miller, and Jennifer Jacobs; and Gandolf Burrus of Grant Development Services.

HEAR FROM PUBLIC

Ms. Kugle welcomed the residents to the meeting.

The Board recognized Ms. Miller, who inquired about the Operator's procedures for tracking home water systems, noting that it was her belief that the water quality issues in the District may be caused by home water systems.

Mr. Melgren noted that the Operator will inspect a water system when it is installed during new construction; however, thereafter, the water system is the responsibility of the homeowner. Mr. Melgren also noted that the cloudy water issues are often caused by air in the water lines, and that the Operator monitors water quality. Mr. Melgren advised that residents should call the Operator to report water quality issues.

Ms. Miller next inquired about the North Fort Bend Water Authority ("NFBWA") charges.

Ms. Kugle noted that the NFBWA charge is a "pass-thru" and that the District has no control over the rate set by the NFBWA. Ms. Kugle further explained that the 10% sur-charge the District implements is to cover the District's water loss and unpaid water bills.

Ms. Miller next addressed the Board regarding construction by contractors outside of the hours mandated by the Southern Colony HOA deed restrictions and inquired who would repair the damages caused to HOA property by the installation of the District's force main.

Mr. Rusk advised, upon completion of the force main project, the contractor will repair the damages to the HOA property. Mr. Rusk also noted that he would reach out to the contractors regarding the permitted working hours.

MINUTES FOR THE MEETING OF FEBRUARY 13, 2018

The proposed minutes of the meeting of the Board held February 13, 2018, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Campbell, seconded by Director Richardson, and after full discussion, the Board voted unanimously to approve the minutes for the meeting held on February 13, 2018, as presented.

BOOKKEEPER'S REPORT

The Board recognized Ms. Symmank, who submitted to and reviewed with the Board the Bookkeeper's Report, and certain invoices for payment by the District.

Upon motion by Director Hunter seconded by Director Richardson, and after full discussion, the Board voted unanimously to (1) approve the Bookkeeper's Report; and (2) authorize payment of the checks listed therein.

PARK GRANT APPLICATION

The Board recognized Mr. Burrus, who introduced himself and gave a brief overview of his company and what services it could provide to the District. Mr. Burrus presented two Agreements, noting that one Agreement is for preparation of Recreation Master Plan, at a fee of \$15,000; and the second Agreement is for the preparation of the Park Grant Application, at a fee of \$12,500, plus a 5% commission upon award and funding of a park grant.

Upon motion by Director Campbell, seconded by Director Hunter, and after full discussion, the Board voted unanimously to approve the (1) Agreement for preparation of the Recreation Master Plan; and (2) the Agreement for preparation of the Park Grant Application.

TAX ASSESSOR COLLECTOR'S REPORT

The Board recognized Ms. Flores, who reviewed with the Board the Tax Assessor/Collector, a copy of which is attached hereto. Ms. Flores noted that the District's 2017 taxes are 97.41% collected.

Upon motion Director Hunter, seconded by Director Campbell, and after full discussion, the Board voted unanimously to (1) approve the Tax Assessor/Collector's Reports; and (2) authorize payment of the tax checks listed therein.

FINANCIAL ADVISOR

The Board recognized Mr. Cohen, who noted that the District's bond application had been accepted as administratively complete by the Texas Commission on Environmental Quality ("TCEQ"). Mr. Cohen noted that it would be several months before final approval for the bond issuance is obtained

from the TCEQ, and recommended issuance of a Bond Anticipation Note (“BAN”) of approximately \$4 million, which BAN would be paid within 1 year of issuance with proceeds from the bond issuance. Mr. Cohen noted that, by issuing the BAN, the District would be able to partially reimburse the Developers and cut off developer interest.

Upon motion by Director Campbell, seconded by Director Richardson, and after full discussion, the Board voted unanimously to authorize the District’s Financial Advisor to proceed with soliciting bids for a BAN issuance.

WEBSITE REPORT

The Board recognized Mr. Willett, who presented to and reviewed with the Board the Website report.

Ms. Jacobs requested that the Southern Colony HOA publication be published on the District’s website, and inquired if water conservation information could also be published.

After discussion, the Board concurred to place the HOA publications on the District’s website, and to provide a link to the NFBWA website.

OPERATOR’S REPORT

The Board recognized Mr. Melgren, who presented the Operator’s Report, and reviewed the expenses and explained various charges. Mr. Melgren also presented to and reviewed with the Board an Agreement with First Billing. Mr. Melgren noted that First Billing offered better services for the payment of residents’ water bills, such as 24-hour customer service, and immediate fund verification.

Upon motion by Director Hunter, seconded by Director Loeffler, and after full discussion, the Board voted unanimously to approve the Operator’s Report and the Agreement with First Billing.

ENGINEER’S REPORT

The Board recognized Mr. Rusk, who presented to Engineer’s Report. Mr. Rusk updated the Board on the status of various ongoing construction projects in the District. Mr. Rusk requested approval of: (1) Pay Estimate No. 3 in the amount of \$99,316.17, payable to Rodriguez Construction, for Southern Colony Section 3B water, sewer, and drainage; (2) Pay Estimate No. 3, in the amount of \$126,455.49,

payable to Rodriguez Construction, for Lift Station No. 2 and Forcemain; and (3) authorization to award contract for the Southern Colony Section 4A water, sewer, and drainage construction project to Dimas Bros Construction in the amount of \$1,729,800.00.

Upon motion by Director Campbell, seconded by Director Hunter, and after full discussion, the Board voted unanimously to approve: (1) Pay Estimate No. 3 in the amount of \$99,316.17, payable to Rodriguez Construction, for Southern Colony Section 3B water, sewer, and drainage; (2) Pay Estimate No. 3, in the amount of \$126,455.49, payable to Rodriguez Construction, for Lift Station No. 2 and Forcemain; (3) authorization to award contract for the Southern Colony Section 4A water, sewer, and drainage construction project to Dimas Bros Construction in the amount of \$1,729,800.00; and (4) the Engineer's Report.

DEVELOPER'S REPORT

The Board recognized Mr. Soper, who updated the Board on the status of Forestar's development in the District.

The Board noted that no action was necessary in connection with the Developer's Report.

ATTORNEY'S REPORT

Renewal of Insurance

The Board recognized Ms. Kugle, who presented a renewal policy from the District's current insurance provider, SIG/McDonald & Wessendorff Insurance, noting that the premium had decreased by \$15. Ms. Kugle noted that SIG/McDonald & Wessendorff Insurance had provided evidence of the Form 1295 filing with the Texas Ethics Commission.

Upon motion by Director Hunter, seconded by Director Richardson, and after full discussion, the Board voted unanimously to renew the District's insurance policy with SIG/McDonald & Wessendorff Insurance.

Annual Review of Investment Policy

The Board recognized Ms. Kugle, who reviewed with the Board a Resolution Evidencing Review of Investment Policy and Investment Strategies. Ms. Kugle reminded the Board that the Public Funds Investment Act requires the Board to review the District’s Investment Policy annually and consider making any changes thereto. Ms. Kugle recommended that no changes be made to the Investment Policy at this time other than to update the list of authorized brokers for the District.

Upon motion made by Director Campbell, seconded by Director Hunter, and after full discussion, the Board by unanimous vote agreed not to make any changes to the District’s Investment Policy, other than to update the list of authorized brokers for the District, and to adopt the Resolution Evidencing Review of Investment Policy and Investment Strategies.

Election

The Board recognized Ms. Kugle, who provided an update on the Directors’ Election to be held May 5, 2018, noting that there are 5 residents running for 3 positions on the Board. Ms. Kugle also noted that election voting information will be posted on the District’s website.

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

PASSED, APPROVED, AND ADOPTED, this 24th day of April, 2018.




Secretary, Board of Directors

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 131

Notice is hereby given that, pursuant to V.T.C.A. Government Code, Chapter 551, the Board of Directors of **Fort Bend County Municipal Utility District No. 131** will meet in **regular session**, open to the public, at **12:00 p.m.**, on **Tuesday, March 27, 2018**, at **1980 Post Oak Blvd, Suite 1380, Houston, Texas 77056**, at which meeting the following items will be considered and acted on:

1. Hear from Public;
2. Consider approving minutes for meeting of February 13, 2018;
3. Hear Bookkeeper's Report, and take any action thereon, including:
 - (a) consider approving payment of the bills;
 - (b) consider approving Investment Report;
4. Discuss and consider authorizing preparation of Grant Application for park facilities;
5. Hear Tax Assessor/Collector's Report and take any action therein, including:
 - (a) consider approving payment of tax bills; and
 - (b) consider authorizing termination of service to delinquent accounts;
6. Hear Financial Advisor's Report, and take any action thereon, including:
 - (a) discuss District's next Bond/BAN issue;
7. Hear Operator's Report and take any action thereon, including:
 - (a) discuss operations of water plant facilities and wastewater facilities;
 - (b) discuss Operator's expenses;
 - (c) consider authorizing improvements, repairs, and modifications to District's water supply and wastewater facilities; and
 - (d) consider authorizing termination of water service to delinquent accounts;
8. Hear Engineer's Report and take any action thereon, including:
 - (a) consider authorizing Engineer to proceed with the design of District facilities;
 - (b) consider approving plans and specifications of District facilities;
 - (c) consider authorizing Engineer to advertise for bids for District projects;
 - (d) approval of report, pay estimates and change orders for construction projects in progress in the District; and
 - (e) consider authorizing construction contracts and related items;
9. Hear report from Developers, including status of development in District;
10. Hear report from Attorney and take any action thereon, including:
 - (a) consider renewal of District insurance;
 - (b) consider adopting Resolution Evidencing Annual Review of Investment Policies;
 - (c) discuss North Fort Bend Water Authority rate increase and related matters;
 - (d) update on Directors' Election.

Pursuant to V.T.C.A. Government Code §551, the Board of Directors may convene in closed session in relation to any agenda item included in this Notice, with such closed session to be held at the date, hour, and place given in this Notice, concerning any and all subjects for any and all purposes permitted by V.T.C.A Government Code Chapter 551, including, but not limited to, private consultation with the District's Attorneys on any or all matters or subjects authorized by law, pending or contemplated litigation, personnel matters, real estate transactions, security devices, economic development negotiations, and/or gifts and donations.

EXECUTED this 20th day of March, 2018.

FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT NO. 131

By: _____

Julianne B. Kugle
Julianne B. Kugle

Sanford Kuhl Hagan Kugle Parker Kahn LLP
Attorneys for the District





FORT BEND COUNTY CLERK
301 JACKSON, SUITE 101
RICHMOND, TX 77469-3108
(281)341-8652

Receipt Time: 03/20/2018 03:44:57 PM

Receipt #: 23301

Issued To: SANFORD KUHL KUGLE PARKER HAGAN

Documents

#	Type	# Pages	Quantity	Reference #	GF #	Amount
1	MEETINGS	1	1	NA		\$3.00
2	POSTING/FILING CERTIFICATE	1	1	NA		\$1.00
3	PLAIN COPY	1	1	NA		\$1.00
Total :						\$5.00

Payments

#	Type	Payment #	Amount	NSF
1	ESCROW CHARGE	4080	\$5.00	
Total Payments:			\$5.00	

Balance for Account # 4080 as of 03/20/2018 03:45 PM is \$10.00

FBC MUD #131 MTG 03/27/18 @ 12:00 PM

THANK YOU!

DEPUTY: DP2

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 131

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 - (a) discuss District's next Bond/BAN issue;
7. Hear Operator's Report and take any action thereon, including:
 - (a) discuss operations of water plant facilities and wastewater facilities;
 - (b) discuss Operator's expenses;
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 - (c) consider authorizing Engineer to advertise for bids for District projects;
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 - (e) consider authorizing construction contracts and related items;
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10. Hear report from Attorney and take any action thereon, including:
 - (a) consider renewal of District insurance;
 - (b) consider adopting Resolution Evidencing Annual Review of Investment Policies;
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 - (d) update on Directors' Election.

Pursuant to V.T.C.A. Government Code §551, the Board of Directors may convene in closed session in relation to any agenda item included in this Notice, with such closed session to be held at the date, hour, and place given in this Notice, concerning any and all subjects for any and all purposes permitted by V.T.C.A Government Code Chapter 551, including, but not limited to, private consultation with the District's Attorneys on any or all matters or subjects authorized by law, pending or contemplated litigation, personnel matters, real estate transactions, security devices, economic development negotiations, and/or gifts and donations.

EXECUTED this 20th day of March, 2018.

FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT NO. 131

By: _____

Julianne B. Kugle
Julianne B. Kugle

Sanford Kuhl Hagan Kugle Parker Kahn LLP
Attorneys for the District



FILED FOR RECORD
NO _____ TIME 3:26 AM

MAR 20 2018

Laura Richard
County Clerk Fort Bend Co. Texas

CERTIFICATE OF POSTING OF NOTICE OF MEETING

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 131 §

I, RAUL PALACIOS, the undersigned, hereby state that I posted the attached Notice of Meeting of the Board of Directors of Fort Bend County Municipal Utility District No. 131 at F131, LIFT STATION #1 - 320 VOLUTE DR., the location inside the boundaries of the District designated for the posting of agendas, on the 21st day of MARCH, 2018, at 9:10 o'clock A.m., which time was not less than 72 hours prior to the scheduled time of the meeting.

RP
RAUL PALACIOS
(Name)

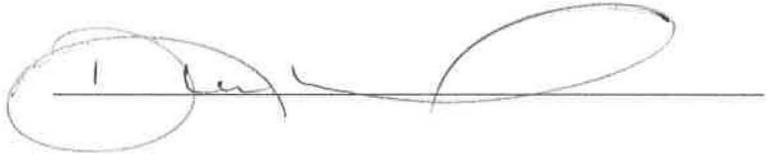
CERTIFICATE OF POSTING

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 131 §

I, Deidra Denieb, the undersigned, hereby state that I posted the Notice of Meeting of Fort Bend County Municipal Utility District No. 131 in the administrative offices of the District on the 20th day of March, 2018, at 10 o'clock a.m., which time was not less than 72 hours prior to the scheduled time of the meeting.

A handwritten signature in black ink, appearing to read "Deidra Denieb", is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke extending to the right.

Date: 3-27-18

ATTENDANCE LIST

Fort Bend Municipal Utility District No. 131

- ✓ Curtis R. (Rusty) Campbell (President)
- ✓ Gready W. Hunter (Vice President)
- ✓ Kevin L. Loeffler (Secretary/Treasurer)
- ✓ Gregory Eknoyan (Asst Secretary)
- ✓ Gordon Richardson (Asst Secretary)

Myrtle Cruz - Bookkeeper		R.W. Baird – Financial Advisor	
Tina Kelsey		Jan Bartholomew	
<i>Cmy Symmank</i>	✓	Adam Cohen	✓
LJA Engineering			
Michael Rusk	✓	DR Horton	
<i>Kathleen Kinchen</i>	✓	Mike Bohm	
		Matthew Krueger	
McCall Gibson (Auditor)		Daniel Rose II, P.E.	
Chris Swedlund			
		Forestar (USA)	
		Justine Collier Klinke	
Tax Tech, Inc. – Tax A/C		<i>Marcus Soper</i>	✓
Esther Flores		SK Law	
Anna Duarte		Joshua J. Kahn	
<i>Laura Flores</i>	✓	Julianne B. Kugle	✓
SiEnvironmental - Operator		Laura C. Davis	✓
Kyle Melgren	✓	Deidra Daniels (Paralegal)	✓
<i>TRITON</i>		GUESTS	
<i>Michael Willet</i>		<i>Gandolf Burnus</i>	✓

NOTES: _____

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 131
ATTENDANCE SHEET**

March 27, 2018

<u>Name</u>	<u>Speak to the Board (yes/no)</u>	<u>Regarding:</u>
Leslie Smith-Boards		
Risha Miller		
Jennifer Jacobs		