

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

APRIL 24, 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 special session, open to the public, to be held on Tuesday, April 24, 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 12:00 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, except Director Campbell, 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; Anna Duarte 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; Marsha Jan of McCall Gibson Swedlund Barfoot PLLC (“McCall), Auditors for the District; Joshua J. Kahn, Laura C. Davis, and Deidra Daniels (paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP (“SK Law”), Attorneys for the District; and residents Jennifer Jacobs, Leslie Smith-Boards. Resident Risha Miller attended via phone.

HEAR FROM PUBLIC

Ms. Davis welcomed the residents to the meeting. Ms. Davis noted that she had received an email from the Southern Colony HOA advising that construction was ongoing outside of the permitted hours. Ms. Davis advised that the District has no control over the contractors and noted that the HOA might want to consider fines, if its Deed Restrictions/Bylaws permit.

The Board recognized Ms. Jacobs, who inquired why a developer representative was not present at the meeting, advising that the residents want more communications from the developers regarding status of development, home sales information, contractor information, etc. Ms. Davis noted that developer representatives are not required to attend the District's meetings and that most of the information a developer would report is also contained in the Engineer's report.

MINUTES FOR THE MEETING OF MARCH 27, 2018

The proposed minutes of the meeting of the Board held March 27, 2018, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Hunter, seconded by Director Richardson, and after full discussion, the Board voted unanimously to approve the minutes for the meeting held on March 27, 2018, as presented.

FINANCIAL ADVISOR'S REPORT

Bond Anticipation Note

The Board next considered approving the sale of the District's Bond Anticipation Note, Series 2018 (the "BAN") in the amount of \$3,140,000.00. The Board recognized Ms. Davis, who explained that the BAN will be issued to reimburse the developers for a portion of the costs of construction of certain facilities on behalf of the District. Ms. Davis noted that the term of the BAN is one year from the date of issuance and will be retired with the proceeds of the District's upcoming bond issue.

The Board recognized Mr. Cohen, who informed the Board that bids to purchase the BAN had been solicited from several banking institutions and submitted to and reviewed with the Board a bid tabulation in connection with the same, a copy of which is attached hereto. He stated that Central Bank ("Central") has agreed to purchase the BAN at a rate of 2.500%. He further stated that if the Board

authorizes the sale of the BAN to Central, the BAN is scheduled to fund on May 1, 2018. Mr. Cohen recommended that the Board accept the Commitment Letter submitted by Central in connection with purchase of the BAN.

Ms. Davis then explained the documents that the Board must approve in order to sell the BAN, including (i) the Resolution Authorizing Fort Bend County Municipal Utility District No. 131 Bond Anticipation Note, Series 2018; (ii) the General Certificate; (iii) the Signature Identification and No Litigation Certificate; (iv) the Certificate as to Tax-Exemption; (v) the Internal Revenue Service Form 8038-G; and (vi) the commitment letter from Central for the purchaser of the BAN.

Upon motion by Director Eknayan, seconded by Director Hunter, and after full discussion, the Board voted unanimously to approve the sale of the BAN to Central, to accept the commitment letter from Central for the purchase of the BAN, and to adopt and authorize execution of the Resolution Authorizing Fort Bend County Municipal Utility District No. 131 Bond Anticipation Note, Series 2018, the General Certificate, the Signature Identification and No-Litigation Certificate, the Certificate as to Tax-Exemption, and the Internal Revenue Service Form 8038-G, as submitted.

AUDITOR'S REPORT

Developer Reimbursement Audit

The Board recognized Ms. Jan, who presented the developer reimbursement audit prepared by McCall in connection with reimbursement to the developers from the proceeds of the BAN, which is scheduled to close on May 1, 2018.

Upon motion by Director Richardson, seconded by Director Hunter, and after full discussion, the Board voted unanimously to approve developer reimbursement audit and authorize reimbursement to the developers in the amounts provided in such audit from the proceeds of the BAN, subject to final revisions by the District's consultants.

BOOKKEEPER’S REPORT

The Board recognized Ms. Symmank, who submitted to and reviewed with the Board the Bookkeeper’s Report, certain invoices for payment by the District, and wire transfers to be used in connection with the BAN.

Upon motion by Director Eknoyan seconded by Director Loeffler, and after full discussion, the Board voted unanimously to (1) approve the Bookkeeper’s Report; and (2) authorize payment of the checks and wire transfers.

TAX ASSESSOR COLLECTOR’S REPORT

The Board recognized Ms. Duarte, who reviewed with the Board the Tax Assessor/Collector, a copy of which is attached hereto. Ms. Duarte noted that the District’s 2018 preliminary value is \$67,078,144.

Upon motion Director Eknoyan, seconded by Director Richardson, 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.

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 noted that, with the May water bills, residents would make payments through First Billing, and that notice would be provided in the water bills and on the District’s website.

Upon motion by Director Eknoyan, seconded by Director Hunter, and after full discussion, the Board voted unanimously to approve the Operator’s Report.

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. 4 in the amount of \$94,430.19, payable to Rodriguez Construction, for Southern Colony Section 3B water, sewer, and drainage; (2) Change Order No. 1 in the amount of \$0 for an

amendment to the insurance language for the Southern Colony 4A contract; and (3) Pay Estimate No. 4, in the amount of \$53,105.62, payable to Rodriguez Construction, for Lift Station No. 2 and Forcemain. Ms. Jacobs and Ms. Boards inquired about repairs to be completed by Contractors and wanted assurance that the District would be not be required to pay for the repairs. Mr. Rusk explained that when a contractor damages property, the contractor is responsible for the repairs at the contractor's sole cost.

Upon motion by Director Eknoyan, seconded by Director Richardson, and after full discussion, the Board voted unanimously to approve: (1) Pay Estimate No. 4 in the amount of \$94,430.19, payable to Rodriguez Construction, for Southern Colony Section 3B water, sewer, and drainage; (2) Change Order No. 1 in the amount of \$0 for an amendment to the insurance language for the Southern Colony 4A contract; (3) Pay Estimate No. 4, in the amount of \$53,105.62, payable to Rodriguez Construction, for Lift Station No. 2 and Forcemain; and (4) the Engineer's Report.

WEBSITE REPORT

The Board recognized Ms. Davis, who on behalf of Triton, presented to and reviewed with the Board the Website report.

Upon motion by Director Hunter, seconded by Director Eknoyan, and after full discussion, the Board voted unanimously to approve the website report.

DEVELOPER'S REPORT

No report was offered.

ATTORNEY'S REPORT

Cost Sharing Agreement

The Board recognized Ms. Davis, who presented to and reviewed with the Board a Cost Sharing Agreement between the District and Fort Bend County MUD No. 189 for the cost of the wastewater treatment plant expansion.

Upon motion by Director Hunter, seconded by Director Eknoyan, and after full discussion, the Board voted unanimously to approve the Cost Sharing Agreement as presented.

Park Grant Application

The Board recognized Ms. Davis, who updated the Board on the status of the Park Grant Application process, noting that the District had received a letter from the Sienna Plantation Levee Improvement District (“SPLID”) Attorney, Rich Mueller, outlining the SPLID’s willingness to develop and fund Park Improvements in Southern Colony.

The Board noted that no action was necessary in connection with the SPLID letter.

Election

The Board recognized Ms. Davis, 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. Davis 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 22nd day of May, 2018.


Secretary, Board of Directors

