

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

JULY 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 regular meeting, open to the public, to be held on Tuesday, July 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 12:04 p.m., and the roll was called of the members of the Board, to-wit:

Jennifer Jacobs	-	President
Leslie N. Smith	-	Vice President
Gregory Eknoyan	-	Secretary/Treasurer
Risha Miller	-	Assistant Secretary/Treasurer
Curtis R. Campbell	-	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 Tina Kelsey of Myrtle Cruz, Inc. (“MCI”), Bookkeeper for the District; Michael Rusk, Joseph Harvey, and Jacob Clark of LJA Engineering (“LJA”), Engineers for the District; Marsha Jan of McCall Gibson Swedlund Barfoot PLLC (“McCall”), Auditors for the District; Anna Duarte of Tax Tech, Inc. (“TTI”), Tax Assessor/Collector for the District; Kyle Melgren of SiEnvironmental (“SiEnv”), Operator for the District; Gandolf Burrus and Katerina Dittimore of Grant Development Services (“GDS”); and Julianne B. Kugle, Laura C. Davis, and Deidra Daniels (paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP (“SK Law”), Attorneys for the District.

HEAR FROM PUBLIC

The Board noted that there were no public present who wished to address the Board.

MINUTES FOR THE MEETINGS OF MAY 22, JUNE 26, AND JULY 10, 2018

The proposed minutes of the meetings of the Board held May 22, June 26, and July 10, 2018, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Jacobs, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to approve the minutes for the meetings held on May 22, June 26, and July 10, 2018, as presented.

AUDITOR'S REPORT

The Board recognized Ms. Jan, who introduced herself to the new Board members and reviewed the District's contract with McCall, noting that the fee for the 2018-2019 fiscal year would increase slightly due to the District's issuance of a Bond Anticipation Note. Ms. Jan stated that the estimated fee to prepare the Audit is between \$11,500 and \$12,500, plus expenses.

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

PUBLIC HEARING

The Board recognized Mr. Burrus, who, at 12:06 p.m., opened the public hearing (1) to receive comments regarding park and recreational priorities in connection with the District's approval and adoption of a Master Plan for Parks, Recreation , and Open Space to be submitted to the Texas Parks and Wildlife Department ("TXPD"); and (2) to receive comments regarding the development of a TXPD Non-Urban Recreation Grant Application for funding. Ms. Dittmore noted that notice of the public hearing had been published in the Fort Bend Herald, published on the District's website, and generally distributed to residents in other manners.

Ms. Dittmore provided a general overview of the grant process and of the proposed park and recreational facilities to be constructed if the District is awarded the TXPD Grant. Ms. Dittmore noted that, if the grant is awarded, the District would receive \$500,000, and would be requesting matching funds from Sienna Plantation Levee Improvement District ("SPLID"), for a total park budget of \$1 million. Ms. Dittmore reviewed the proposed Master Plan and explained the point system used in the grant application process, and listed a variety of ways the District can earn points.

When no further comments were forthcoming, the public hearing was closed at 12:20 p.m.

GRANT APPLICATION REPORT

The Board recognized Ms. Dittmore, who requested authorization to register the District into the System for Award Management (“SAM”), which registration is required to enable the District to receive the grant funds, if awarded. Ms. Dittmore also requested that the District’s bookkeeper be appointed as the authorized SAM contact person for the District.

Upon motion by Director Campbell, seconded by Director Smith-Boards, and after full discussion the Board voted unanimously (1) to authorize Ms. Dittmore to register the District into SAM, and (2) appointed the District’s Bookkeeper as the authorized SAM contract person for the District.

Ms. Dittmore next reviewed with the Board a letter from the District to TXPD evidencing the District’s support of the Texas Monarch and Native Pollinator Conservation Program and adopting Section I. Habitat Conservation and Perpetuation of Floral Resources and Larval Host Plants on Public Lands.

Upon motion by Director Campbell, seconded by Director Jacobs, and after full discussion, the Board voted unanimously to approve a letter from the District to TXPD evidencing the District’s support of the Texas Monarch and Native Pollinator Conservation Program and adopting Section I. Habitat Conservation and Perpetuation of Floral Resources and Larval Host Plants on Public Land and authorize execution of same by Director Jacobs.

The Board next considered approving the Resolution Adopting 2018-2023 Master Plan for Parks, Recreation, and Open Space and authorizing submittal of same to TXPD.

Upon motion by Director Miller, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to approve the Resolution Adopting 2018-2023 Master Plan for Parks, Recreation, and Open Space and authorize submittal of same to TXPD.

FINANCIAL ADVISOR’S REPORT

No report was offered.

BOOKKEEPER’S REPORT

The Board recognized Ms. Kelsey, who submitted to and reviewed with the Board the Bookkeeper's Report, and certain invoices for payment by the District. Discussion followed regarding the cost of the District's website.

Upon motion by Director Campbell seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to (1) approve the Bookkeeper's Report; and (2) authorize payment of the checks presented, except for check no. 2517 to Triton, which will be held pending clarification of charges.

Ms. Kelsey next submitted a proposed budget for fiscal year ending July 31, 2019. Discussion following regarding establishing a reserve fund.

Upon motion by Director Campbell seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to (1) approve the proposed budget for fiscal year ending July 31, 2019, as amended; and (2) establish a reserve fund in an amount equal to one year's operating expenses.

TAX ASSESSOR COLLECTOR'S REPORT

The Board recognized Ms. Duarte, who reviewed with the Board the Tax Assessor/Collector Report, including checks submitted for signature, a copy of which is attached hereto. Ms. Duarte noted that the District's 2018 preliminary value is \$67,078,144 and that the District is 98.32% collected for the 2017 taxes.

Upon motion Director Smith-Boards, seconded by Director Jacobs, 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 updated the Board on the status of the insurance claim for the well repair, noting that various charges are being tracked for insurance reimbursement. The Board inquired whether certain repairs were being backcharged to contractors, and Mr. Melgren advised that, when a determination can be made with regards to the party responsible for damage to district facilities, repairs are backcharged, and that he will provide a list of the backcharges in future reports.

Upon motion by Director Campbell, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to approve the Operator's Report.

ENGINEER'S REPORT

The Board recognized Mr. Rusk, who presented the Engineer's Report. Mr. Rusk updated the Board on the status of various ongoing construction projects in the District. Mr. Rusk requested that the Board: (1) authorize the Engineer to proceed with the design of District facilities for Southern Colony Section 4C; (2) authorize the WWTP major amendment to permit application; (3) approval plans and specifications for Southern Colony Section 4B; (4) authorize the Engineer to advertise for bids for Southern Colony Section 4B; (5) approve Pay Estimate No. 5 (final), in the amount of \$68,374.08 payable to Rodriguez Construction for Southern Colony Section 3B WS&D; (6) approve Pay Estimate Nos. 1 and 2, in the amounts of \$115,081.74 and \$477,796.19, respectively, payable to Dimas Bros Construction, for Southern Colony Section 4A WS&D; (7) Pay Estimate No. 5, in the amount of \$86,419.67, payable to Rodriguez Construction for Lift Station No. 2; and (8) Pay Estimate No. 1, in the amount of \$80,460.00, payable to N&S Construction for WWTP Expansion Phase II.

Upon motion by Director Miller, seconded by Director Eknoyan, and after full discussion, the Board voted unanimously to 1) authorize the Engineer to proceed with the design of District facilities for Southern Colony Section 4C; (2) authorize the WWTP major amendment to permit application; (3) approval plans and specifications for Southern Colony Section 4B; (4) authorize the Engineer to advertise for bids for Southern Colony Section 4B; (5) approve Pay Estimate No. 5 (final), in the amount of \$68,374.08 payable to Rodriguez Construction for Southern Colony Section 3B WS&D; (6) approve Pay Estimate Nos. 1 and 2, in the amounts of \$115,081.74 and \$477,796.19, respectively, payable to Dimas Bros Construction, for Southern Colony Section 4A WS&D; (7) Pay Estimate No. 5, in the amount of \$86,419.67, payable to Rodriguez Construction for Lift Station No. 2; (8) Pay Estimate No. 1, in the amount of \$80,460.00, payable to N&S Construction for WWTP Expansion Phase II; and (9) approve the Engineer's Report.

Mr. Rusk also updated the Board on the status of the well repair and stated that all repairs should be completed within the next 30 days.

WEBSITE REPORT

The Board recognized Ms. Kugle, who presented to and reviewed with the Board the Website Report.

The Board noted that no action was necessary in connection with the Website Report.

DEVELOPER'S REPORT

The Board recognized Ms. Kugle, who updated the Board on the status of development in the District. Directors Jacob and Miller inquired about removal of contractors' trash piles on Harvest Trail, mowing, and similar DRH projects. Ms. Kugle noted that she will follow-up on the matters.

ATTORNEY'S REPORT

Force Main Easement with Fort Bend County MUD No. 189

Ms. Davis reviewed with the Board a Force Main Easement which grants to Fort Bend County MUD No. 189 an easement across District property for the purpose of constructing and maintaining a sanitary sewer line relating to the wastewater treatment plant expansion.

Upon motion by Director Smith-Boards, seconded by Director Jacobs, and after full discussion, the Board voted unanimously to approve the Force Main Easement with Fort Bend County MUD No. 189.

Estimate of Value

Ms. Davis next reviewed with the Board a Resolution Requesting an Estimate of Assessed Valuation from the Fort Bend County Appraisal District as of August 1, 2018. Ms. Davis noted that this estimate will show the additional assessed valuation that has been added within the District since January 1, 2018, and allow the District's Financial Advisor to provide a more detailed update on the timing of the District's bond application.

Upon motion by Director Smith-Boards, seconded by Director Jacobs, and after full discussion, the Board voted unanimously to approve the Resolution Requesting Estimate of Appraised Value.

Fees of Office

Ms. Davis next reviewed with the Board proposed changes to the District's Policy regarding Fees of Office and Reimbursements, noting that the District's current policy provides that a per diem is paid only for attendance at a Board meeting, but no other fees or reimbursements are authorized. Director Jacobs reviewed her suggested revisions, including payment of a per diem for attendance at conferences and mileage reimbursement to meetings. She also discussed the upcoming "New Directors Workshop" in August, sponsored by AWBD, and the Sienna Plantation Levee Improvement District ("SPLID") meeting scheduled for July 25, 2018.

Upon motion by Director Smith-Boards, seconded by Director Jacobs, and after full discussion, the Board voted unanimously to approve (1) the Resolution Regarding Fees of Office, revising the Policy to allow per diems for conferences upon Board approval and to allow for reimbursement of mileage to Board meetings; (2) a per diem and mileage reimbursement to be paid to those Directors attending the AWBD New Director Workshop in August 2018; and (3) a per diem and mileage reimbursement to Director Jacobs for attending the SPLID meeting on July 25, 2018.

Public Safety

The Board next discussed the possibility of additional law enforcement services for the District.

The Board took no action on this item.

Hurricane Preparedness

The Board took no action on this item.

Conflict of Interest Disclosures

Ms. Davis reviewed the Conflict of Interest Statement and when the Consultants and Directors would be required to complete and submit the form.

The Board noted that no action was necessary in connection with the Conflict of Interest Disclosure.

Arbitrage Compliance

Ms. Davis next reviewed with the Board the District's Annual Arbitrage Compliance Report. The Board noted that no action was necessary in connection with the Arbitrage Report.

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

PASSED, APPROVED, AND ADOPTED, this 28th day of August, 2018.



Gregory Ebyan
Secretary, Board of Directors