

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

AUGUST 28, 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 meeting, open to the public, to be held on Tuesday, August 28, 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:

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 and Jacob Clark of LJA Engineering (“LJA”), Engineers 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; Adam Cohen of R.W. Baird, Financial Advisors for the District; Marcus Soper, II of Forestar (USA), a Developer of property within the District; Mary Dubois and Tejura Williams of Acclaim Energy; David Sorella of Enhanced Energy Services of America, LLC; David Aitken and Henry Dibrell of Triton; and Julianne B. Kugle, Laura C. Davis, and Judy Marcantel (assistant) 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 JULY 24 AND AUGUST 17, 2018

The proposed minutes of the meetings of the Board held July 24 and August 17, 2018, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Campbell, seconded by Director Miller, and after full discussion, the Board voted unanimously to approve the minutes for the meetings held on July 24 and August 17, 2018, as presented.

GRANT REPORT

The Board recognized Mr. Clark, who reviewed the proposed facilities included in the grant application and a preliminary cost estimate for constructing the proposed facilities set forth in the draft Master Plan, noting that there is a funding shortfall of approximately \$200,000. Mr. Clark noted that some of the items that may be postponed. Director Miller discussed donations toward the project and noted that donation letters are due October 1, 2018.

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

FINANCIAL ADVISOR'S REPORT

Discuss 2018 Tax Rate/Call Public Hearing on Proposed 2018 Tax Rate

The Board recognized Mr. Cohen, who presented to and reviewed with the Board the District's 2018 tax rate analysis. The Board discussed such analysis, the options for the 2018 tax rate and possible future maintenance expenses anticipated for the District. Ms. Kugle explained the procedures that the District must follow prior to adopting its 2018 tax rate, which includes publishing notice of the District's tax rate hearing in a newspaper of general circulation within the District.

Upon motion by Director Smith-Boards, seconded by Director Jacobs, and after full discussion, the Board voted unanimously to authorize the publication of the Notice of Public Hearing on Tax Rate, scheduled for September 18, 2018, at 6:00 p.m., at 406 Southern Colony Avenue, Rosharon, Texas

77583, and to publish a proposed total tax rate for 2018 of \$1.05 per \$100 of assessed valuation, along with a tax rate and levy analysis as required by Chapter 49 of the Texas Water Code.

ELECTRICITY PROPOSALS

Acclaim Energy

The Board recognized Ms. Dubois who presented a proposal for options to secure electricity beyond the District's current contract, which terminates in April 2020.

Enhanced Energy Services, LLC

The Board next recognized Mr. Sorella, who presented proposed electricity options, noting that EES has been the District's energy broker for a number of years.

After discussion, the Board concurred to defer action on this item, noting they would reconsider the matter in three months using EES as the District's broker.

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 Eknoyan, and after full discussion, the Board voted unanimously to (1) approve the Bookkeeper's Report; and (2) authorize payment of the checks presented.

TAX ASSESSOR COLLECTOR'S REPORT

The Board recognized Ms. Duarte, who reviewed with the Board the Tax Assessor/Collector's Report, including checks submitted for signature, a copy of which is attached hereto.

Upon motion by Director Miller, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to (1) approve the Tax Assessor/Collector's Report; 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 noted that a resident had tripped and fallen over a man-hole that was above grade due to the adjacent sidewalks subsiding. Mr. Melgren stated that the sidewalks were reinstalled to grade and that the District's line below was televised, noting that the televising revealed infiltration into the line, and that the line will need to be replaced at an estimated cost of \$8,000. Discussion ensued regarding such line replacement and what notice should be given to the residents. The Board concurred to have the Operator prepare a notice of the line replacement, which notice will be published on the District's website.

Upon motion by Director Campbell, seconded by Director Miller, 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) approve plans and specifications of District facilities for Southern Colony Section 4C; (2) authorize the Engineer to advertise for bids for Southern Colony Section 4C; (3) approve pay estimate No. 3 in the amount of \$550,616.63, payable to Dimas Bros. Construction for WS&D for Southern Colony Section 4A; and (4) authorize pay estimate No. 6 in the amount of \$76,066.00, payable to Rodriguez Construction Group LLC for Lift Station No. 2.

Upon motion by Director Miller, seconded by Director Campbell, and after full discussion, the Board voted unanimously to: (1) approve plans and specifications of District facilities for Southern Colony Section 4C; (2) authorize the Engineer to advertise for bids for Southern Colony Section 4C; (3) approve pay estimate No. 3 in the amount of \$550,616.63, payable to Dimas Bros. Construction for WS&D for Southern Colony Section 4A; (4) authorize pay estimate No. 6 in the amount of \$76,066.00, payable to Rodriguez Construction Group LLC for Lift Station No. 2; and (5) approve the Engineer's Report.

WEBSITE REPORT

The Board recognized Mr. Aitken, who addressed the Board regarding website activity.

The Directors questioned Mr. Aitken regarding certain charges by Triton for services which had not been previously approved by the Board and for charges in excess of the contract amount for the Emergency Alert System. After discussion, Mr. Aitken noted that Triton would issue a credit to the District for the disputed charges. The Board instructed Mr. Aitken that all website postings would be submitted to Triton by the District's attorney and that no other website postings are authorized outside of this procedure.

The Board noted that no further action was necessary in connection with the website.

DEVELOPER'S REPORT

Forestar

The Board recognized Mr. Soper who provided an update of development in Southern Colony Sections 4A, 4B, and 4C.

DR Horton

The Board recognized Ms. Davis, who noted that DR Horton had advised that there were 17 sales and 10 closings within the District in July, and provided an update of development and average sales price of new homes.

The Board noted that no action was necessary in connection with the Developers' Reports.

ATTORNEY'S REPORT

The Board recognized Ms. Jacobs, who discussed various options which might be available to the District for additional law enforcement services, noting that she is exploring options and will bring additional information back to the Board.

The Board deferred action until a later date so that more information could be obtained.

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

PASSED, APPROVED, AND ADOPTED, this 18th day of September, 2018.

Greg Chynar
Secretary, Board of Directors

