

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

JULY 23, 2019

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 23, 2019, 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 12:05 p.m., and the roll was called of the members of the Board, to-wit:

Jennifer Jacobs	-	President
Leslie N. Smith-Boards	-	Vice President
Risha Miller	-	Secretary/Treasurer
Vacant	-	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”), Bookkeepers for the District; Michael Rusk, Kathleen Kinchen, and Joe Harvey of LJA Engineering, Inc. (“LJA”), Engineers for the District; Anna Duarte of Tax Tech, Incorporated (“TTI”), Tax Assessors for the District; Brian Tolden of McCall Gibson Swedlund Barfoot, PLLC (“McCall”), Auditors for the District; Kyle Melgren of SiEnvironmental, LLC (“SiE”), Operators for the District; Marcus Soper, II of Forestar (USA) Real Estate Group Inc., a Developer of property within the District; Kevin Atkinson of Texas Pride Disposal Solutions, L.L.C. (“Texas Pride”); Howard Manson of Today’s Integration; Laura C. Davis, Tamara Sharkey, Deidra Daniels (paralegal) and Khari Dotson (intern) of Sanford Kuhl Hagan Davis Parker Kahn LLP (“SK Law”), Attorneys for the District; and Joann Randall and Timothy Dotson, residents of the District.

**HEAR FROM PUBLIC**

The Board noted that no public wished to address the Board.

**RESIGNATION OF DIRECTOR**

The Board recognized Mr. Campbell, who advised that, due to work commitments, he was submitting his resignation, effectively immediately.

Upon motion by Director Miller, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to accept the resignation of Director Campbell.

**APPOINTMENT OF DIRECTORS**

Ms. Davis introduced Joann Randall and Timothy Dotson, noting that each owned property and resided in the District.

Upon motion by Director Smith-Boards, seconded by Director Miller, and after full discussion, the Board voted unanimously to appoint Joann Randall and Timothy Dotson to the Board. Ms. Davis noted that Ms. Randall and Mr. Dotson had taken the Oath of Office and executed the Statement of Appointed Officer.

**OATHS**

Upon motion Director Smith-Boards, seconded Director Miller, and after full discussion, the Board voted unanimously to accept the Oaths of Office and executed Statements of Appointed Officer of Ms. Randall and Mr. Dotson, thus qualifying them to serve on the Board.

**RECONSTITUTE BOARD**

The Board next considered reconstituting the Board.

Upon motion by Director Miller, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to reconstitute the Board, as follows: President – Jennifer Jacobs; Vice President – Leslie Smith-Boards; Secretary – Risha Miller; Assistant Secretary – Joann Randall; and Assistant Secretary – Timothy Dotson.

**DISTRICT REGISTRATION FORM**

The Board then considered the execution and filing of a District Registration Form.

Upon motion by Director Smith-Boards, seconded by Director Miller, and after full discussion, the Board voted unanimously to authorize preparation of a revised District Registration Form and filing of same with the Texas Commission on Environmental Quality (“TCEQ”).

**AUDITOR**

The Board recognized Mr. Tolden, who explained to the Board that the District had an existing contract with McCall for the preparation of the District’s fiscal year end audit, noting that the estimated fees for the 2019 audit would range from \$11,500 - \$12,500, the same as last year.

Upon motion by Director Smith-Boards, seconded by Director Jacobs, and after full discussion, the Board voted unanimously to proceed with the preparation of the 2019 audit.

**PUBLIC SAFETY/SECURITY**

The Board recognized Mr. Manson, who introduced himself and provided an overview of his company, Today’s Integration. Mr. Manson then reviewed with the Board a proposal for the installation of a security camera/alarm system, and monitoring services after installation.

Ms. Davis also reviewed with the Board proposals submitted by MDB Security Services and Edgebrook Security.

After discussion between and among the Board members, it was the consensus of the Board to defer action until the August 2019, Board meeting.

**MINUTES FOR THE MEETING OF MAY 28 AND JUNE 18, 2019**

The proposed minutes of the meetings of the Board held May 28 and June 18, 2019, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Miller, seconded by Director Randall, and after full discussion, the Board voted unanimously to approve the minutes for the meetings held on May 28 and June 18, 2019, as presented.

**TRASH COLLECTION**

The Board recognized Mr. Atkinson, who advised that Texas Pride will begin tracking service calls and provide reports at the District’s meetings.

The Board noted that no action was necessary in connection with Mr. Atkinson’s report.

**PARK GRANT**

The Board recognized Ms. Davis, who provided an update on the grant process, noting that the Contract from the Texas Parks & Wildlife Department has not yet been received for approval by the District, and that the Sienna Plantation Levee Improvement District (“SPLID”) approved submission of a request to the TCEQ for the use of surplus funds in the amount of \$637,000 to pay its portion of the Grant’s matching funds requirement. Ms. Davis also noted that the District’s Engineer is surveying a portion of the main park to prepare metes and bounds for the easement to be provided by the Southern Colony HOA.

Mr. Rusk noted that project signs would be installed at the park location on July 24.

The Board note that no action was necessary in connection with the Park Grant report.

**WEBSITE REPORT**

The Board recognized Ms. Davis, who submitted to and reviewed with the Board the Website Report.

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

**COMMUNICATIONS OFFICER**

The Board next considered the appointment of a Communications Officer for the District.

Upon motion by Director Miller, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to appoint Jennifer Jacobs to serve as the District’s Communications Officer.

**BOOKKEEPER’S REPORT**

The Board recognized Ms. Kelsey, who submitted to and reviewed with the Board the Bookkeeper’s Report, a copy of which is attached hereto, and certain invoices for payment by the District, noting that three checks were not listed on the report, being check numbers 2813-2815. Ms. Kelsey also reviewed the proposed budget for the fiscal year ending July 31, 2020.

Upon motion by Director Smith-Boards, seconded by Director Dotson, and after full discussion, the Board voted unanimously to (1) approve the Bookkeeper’s Report; (2) authorize payment of the

checks presented, including check numbers 2813-2815; and (3) approve the proposed budget, as 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 Smith-Boards, seconded by Director Jacobs, and after full discussion, the Board voted unanimously to (1) approve the Tax Assessor/Collector's Report; and (2) authorize payment of the checks listed therein.

**DELINQUENT TAX REPORT**

—No report was offered.

**ENGINEER'S REPORT**

The Board recognized Mr. Rusk, who submitted to and reviewed with the Board the Engineer's Report and requested that the Board (1) approve Pay Estimate No. 4, in the amount of \$49,441.50, payable to Dimas Bros. Construction for Southern Colony, Section 4B, water, sewer, and drainage; (2) approve Pay Estimate Nos. 1 and 2, in the amounts of \$323,580.19 and \$477,904.80, respectively, payable to Dimas Bros. Construction for southern Colony, Section 4C, water, sewer, and drainage; (3) approve Pay Estimate No. 8 (and final), in the amount of \$46,672.00, payable to N&S Construction Co., for the WWTP Expansion Phase II; (4) authorize the Engineer to prepare Bond Application Report No. 3 for submission to the TCEQ; (5) ratify approval of the TCEQ Notice of Completion form for the WWTP expansion; (6) ratify approval of the Core Data Sheet for WWTP expansion Phase III; and (7) ratify approval of the TCEQ Municipal Wastewater Application Administrative Report. Mr. Rusk also noted that the bids received for the WWTP expansion Phase III were higher than expected and are being evaluated. Mr. Rusk further noted that the District's Engineers are working on the Bond Application Report, and that when such bonds are issued, it would complete the reimbursements owed to DR Horton.

Upon motion by Director Smith-Boards, seconded by Director Randall, and after full discussion, the Board voted unanimously to: Board (1) approve Pay Estimate No. 4, in the amount of \$49,441.50, payable to Dimas Bros. Construction for Southern Colony, Section 4B, water, sewer, and drainage;

(2) approve Pay Estimate Nos. 1 and 2, in the amounts of \$323,580.19 and \$477,904.80, respectively, payable to Dimas Bros. Construction for southern Colony, Section 4C, water, sewer, and drainage; (3) approve Pay Estimate No. 8 (and final), in the amount of \$46,672.00, payable to N&S Construction Co., for the WWTP Expansion Phase II; (4) authorize the Engineer to prepare Bond Application Report No. 3 for submission to the TCEQ; (5) ratify approval of the TCEQ Notice of Completion form for the WWTP expansion; (6) ratify approval of the Core Data Sheet for WWTP expansion Phase III; (7) ratify approval of the TCEQ Municipal Wastewater Application Administrative Report; and (8) approve the Engineer's Report.

### **OPERATOR'S REPORT**

~~\_\_\_\_\_~~The Board recognized Mr. Melgren, who submitted to and reviewed with the Board the Operator's Report. Mr. Melgren also reviewed the listing of delinquent accounts.

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

### **DEVELOPER'S REPORT**

The Board recognized Mr. Soper, who provided an overview and update on development in the District, noting that 416 homes have been built in the last three years, Sections 4B and 4C are under construction, and the small commercial lot along Southern Colony Blvd and FM 521 will be used to develop 8 additional residential lots, access to which will be along Southern Colony Blvd.

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

### **ATTORNEY'S REPORT**

#### **Resolution of Intent to Reimburse Operating Account**

The Board recognized Ms. Davis, who explained that the Engineer's fee for preparing the District's Bond Application Report would be paid out of the District's operating account, but that such fee would be reimbursed to the District's operating account out of the bond proceeds, when such bonds are sold. Ms. Davis reviewed with the Board the Resolution of Intent to Reimburse Operating Account.

Upon motion by Director Smith-Boards, seconded by Director Dotson, and after full discussion, the Board voted unanimously to approve the Resolution as presented.

### **Arbitrage Report**

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.

### **Order Authorizing Application for Approval of Bond Issue by the Texas Commission on Environmental Quality and Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds**

Ms. Davis next submitted to and reviewed with the Board a proposed Order Authorizing Application for Approval by Texas Commission on Environmental Quality of Projects and Issuance of Bonds. Ms. Davis explained that the proposed Order would authorize the formal Application for Approval by Texas Commission on Environmental Quality of Projects and Issuance of Bonds, which documents would accompany the District's first bond application to be submitted to the TCEQ.

Upon motion by Director Smith-Boards, seconded by Director Dotson, and after full discussion, the Board voted unanimously to adopt the Order Authorizing Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds and the Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds.

### **LOGO ITEMS**

The Board next discussed the purchase of polo shirts and business cards for the Districts' Directors.

Upon motion by Director Miller, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to authorize the purchase of polo shirts and business cards at a cost not to exceed \$300.

### **GENERAL MANAGERS**

The Board recognized Director Jacobs, who presented a proposal for the District to hire two part-time general managers – (1) General Manager – Finance & Facilities; and (2) General Manager – Administration & Operations – each of whom would work 20 hours per week at a salary of \$455 per week. Ms. Jacobs proposed that Risha Miller be hired as the General Manager – Finance & Facilities that she be hired as General Manager of Administration & Operations, with a proposed start date of August 5, 2019. Directors Miller and Jacobs then excused themselves from the meeting.

The Board recognized Mr. Soper, who expressed concerns about the District's finances, noting that the budget adopted earlier in the meeting reflected a deficit for the next fiscal year, noting that hiring employees would increase the deficit. He expressed concern with using reserves to balance the budget. Directors Dotson and Randall made inquiries as to the District's needs at this stage of development.

Director Randall inquired about payment of Director fees. Ms. Davis clarified that, in addition to the General Manager salary, Directors Miller and Jacobs would be entitled to receive the \$150 fee of office for each Board meeting and conference they attend as Directors of the Board, along with the customary travel expense reimbursement, in accordance with the District's reimbursement policy.

Upon motion by Director Smith-Boards, seconded by Director Dotson, and after full discussion, the Board voted unanimously to approve hiring co-general managers as follows: (1) hire Director Miller to serve as General Manager – Finance & Facilities, to work 20 hours per week at a salary of \$455 per week, with a start date of August 5, 2019; (2) to hire Director Jacobs to serve as General Manager – Administration & Operations, to work 20 hours per week at a salary of \$455 per week, with a start date of August 5, 2019; and (3) to review both positions in 6 months.

#### **COMMENTS FROM BOARD MEMBERS**

All Directors advised that they would be attending the AWBD seminar on August 23, 2019, in Houston, and requested approval to be paid fees of offices and expenses for such attendance.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve payment of fees of office and expenses to any Director who attends the August 23, 2019, AWBD seminar.

After further discussion, it was the consensus of the Board to schedule a special meeting to be held at 2:30 p.m., Friday, August 23, 2019, at the office of SK Law.

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

PASSED, APPROVED, AND ADOPTED, this 23rd day of August 2019.



  
Secretary, Board of Directors