

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

OCTOBER 22, 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 special meeting, open to the public, to be held on Tuesday, October 22, 2019, at 12:30 p.m., 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, 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
Timothy Dotson	-	Assistant Secretary/Treasurer
Joann Randall	-	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 of LJA Engineering ("LJA"), Engineers for the District; Esther Flores of Tax Tech, Incorporated ("TTI"), Tax Assessors for the District; Juan Alexander of SiEnvironmental, LLC ("SiE"), Operators for the District; Adam Cohen of R.W. Baird & Co. ("Baird"), Financial Advisors for the District; Mike Bohm of DR Horton, a developer of property within the District; Laura C. Davis, Tamara Sharkey, and Deidra Daniels (paralegal) of Sanford Kuhl Hagan Davis Parker Kahn LLP ("SK Law"), Attorneys for the District; and Steve Haskins and Courtney Thompson of Protocol Bookkeeping.

**HEAR FROM PUBLIC**

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

**MINUTES FOR THE MEETING OF SEPTEMBER 24, 2019**

The proposed minutes of the meeting of the Board held September 24, 2019, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Dotson, seconded by Director Smith-Boards, and after full discussion, the Board voted unanimously to approve the minutes for the meeting held on September 24, 2019, as presented.

**DEVELOPER REIMBURSEMENT AUDIT**

The Board recognized Ms. Davis, who submitted to and reviewed with the Board the Developer Reimbursement Audit prepared by the District's Auditor in connection with the use of surplus funds from the Series 2015 and Series 2019 Bonds, noting that the Texas Commission on Environmental Quality had approved reimbursement to the Developer for a portion of Southern Colony, Section 3A.

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

**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 on file in the District's office, and certain invoices for payment by the District. Ms. Kelsey also presented check #2906, payable to Joann Randall (Director's fee), check #2907, payable to McCall (Reimbursement Audit), and check #2908 and #2909, payable to Jennifer Jacobs and Risha Miller (GM salaries).

Upon motion by Director Dotson, 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, including check nos. 2906 – 2909.

**AGREEMENT FOR BOOKKEEPING SERVICES**

The Board recognized Ms. Kelsey, who submitted to and reviewed with the Board an Amended Agreement for Bookkeeping Services. Ms. Kelsey advised that MCI was requesting a fee increase due to additional work required for the TPWD Grant, the District's request for direct deposit of Director fees and

General Manager salaries, and the growth of the District. Ms. Kelsey also advised that, if approved, the rate would not increase for a period of approximately five (5) years.

The Board next recognized Steve Haskins of Protocol Bookkeeping, who introduced himself and Courtney Thompson, and provided a brief overview of the services Protocol could provide. Mr. Haskins submitted to and reviewed with the Board a proposed Agreement for Bookkeeping Services.

It was the consensus of the Board to defer a decision until later in the meeting.

**TAX ASSESSOR COLLECTOR'S REPORT**

The Board next considered the Tax Assessor's Report and checks presented for payment. A copy of the Report is on file in the District's offices.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the Tax Assessor's Report and checks presented for payment.

**ENGINEER'S REPORT**

The Board recognized Mr. Rusk, who submitted to and reviewed with the Board the Engineer's Report and requested the following: (1) approve Pay Estimate No. 4, in the amount of \$60,865.00, payable to W.W. Payton Corporation, for Water Plant Extension Phase II; and (2) approve Change Order No. 2 in the amount of \$3,150.00, payable to W.W. Payton Corporation, for Water Plant Extension Phase II.

Upon motion by Director Miller, seconded by Director Dotson, and after full discussion, the Board voted unanimously to (1) approve Pay Estimate No. 4, in the amount of \$60,865.00, payable to W.W. Payton Corporation, for Water Plant Extension Phase II; (2) approve Change Order No. 2 in the amount of \$3,150.00, payable to W.W. Payton Corporation, for Water Plant Extension Phase II; and (3) approve the Engineer's Report.

Mr. Rusk next discussed with the Board the installation fencing at the Lift Station #2 site to prohibit vehicular traffic.

After discussion, it was the consensus of the Board to authorize the District's Engineer to obtain a cost estimate for the installation of staggered wrought iron fencing (consistent with other fencing in the District), which would prohibit vehicular traffic, but would not impede foot traffic.

Mr. Rusk next discussed with the Board sidewalk repairs, noting that he will work on determining which party (County, District, or homeowner) is responsible and will report to the Board at the next meeting.

### **FINANCIAL ADVISOR**

The Board recognized Mr. Cohen, who advised that the District's Bond Application had been accepted by the TCEQ, and that the Application was in the 180-day review period.

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

### **GENERAL MANAGERS' REPORT**

The Board recognized Director Miller, who presented to and reviewed with the Board the report of the General Managers, a copy of which is on file in the District's office. Director Jacobs discussed with the Board the proposed revisions reflected in the Second Amended and Restated Code of Ethics. She also advised the Board that she was drafting a MWDBE policy, and expected to have it available for the Board's consideration at the next meeting.

### **ATTORNEY'S REPORT**

#### **First Amended and Restated Wastewater Treatment Facilities Agreement**

The Board recognized Ms. Davis, who submitted and reviewed with the Board the First Amended and Restated Wastewater Treatment Facilities Agreement between the District, Fort Bend County MUD No. 189 ("MUD 189"), and Brazoria-Fort Bend Counties MUD No. 3 ("MUD 3"). Ms. Davis explained that the District and MUD 189 had previously entered into an Agreement which provided for the District's and MUD 189's equitable interest in the WWTP. Ms. Davis further explained that the Amended Agreement provides for the addition of MUD 3 as a party to participate in the expansion of the WWTP and, thereafter, in the costs of operating, maintaining, repairing, replacing, and the opportunity to participate in constructing any future expansions.

Upon motion by Director Miller, seconded by Director Dotson, and after full discussion, the Board voted unanimously to approve the First Amended and Restated Wastewater Treatment Facilities Agreement, subject to finalization by the District's Attorney.

**Joint Water Supply Agreement**

Ms. Davis next submitted to and reviewed with the Board a Joint Water Supply Agreement between the District and MUD 3, noting that the Agreement sets out the terms by which MUD 3 will purchase water capacity from the District.

Upon motion by Director Miller, seconded by Director Dotson, and after full discussion, the Board voted unanimously to approve the Joint Water Supply Agreement, subject to finalization by the District's Attorney

**Second Amended and Restated Order Adopting Code of Ethics**

Ms. Davis next submitted to and reviewed with the Board the Second Amended and Restated Code of Ethics, Establishing Policies Relating to Travel Expenditures, Fees of Office, Professional Services, Financial Accounting, Annual Operating Budget, Audit Committee, and Meeting Conduct, noting that this Amendment incorporates additional provisions proposed by Director Jacobs.

Upon motion by Director Miller, seconded by Director Dotson, and after full discussion, the Board voted unanimously to approve the Second Amended and Restated Code of Ethics, Establishing Policies Relating to Travel Expenditures, Fees of Office, Professional Services, Financial Accounting, Annual Operating Budget, Audit Committee, and Meeting Conduct.

**Cost Sharing Agreement for Recreational Improvements**

Ms. Davis presented to and reviewed with the Board a Cost Sharing Agreement for Recreational Facilities between the District and Sienna Plantation Levee Improvement District ("SPLID"). Ms. Davis explained the SPLID's contribution of \$637,500 toward the District's construction of park and recreational facilities was made from SPLID surplus bond funds, and that the Agreement sets out the terms of the District's use of the SPLID funds.

Upon motion by Director Miller, seconded by Director Dotson, and after full discussion, the Board voted unanimously to approve the Cost-Sharing Agreement for Recreational Improvements.

**AUC Equipment Lease Agreement**

The Board recognized Ms. Davis, who reviewed with the Board the Equipment Lease Agreement with AUC, noting that the District had previously entered into an Agreement with AUC for the lease of

the WWTP, and that this Agreement provides for the expansion of the WWTP, the costs and lease payments of which will be share with MUD 3.

Upon motion by Director Miller, seconded by Director Dotson, and after full discussion, the Board voted unanimously to approve the Equipment Lease Agreement.

**AWBD Meetings**

The Board next consider authorizing Directors to attend the all AWBD meetings and conferences through October 31, 2020.

Upon motion by Director Miller, seconded by Director Dotson, and after full discussion, the Board voted unanimously to approve Director(s) attendance all AWBD meetings and conferences through October 31, 2020.

**Agreement for Bookkeeping Services**

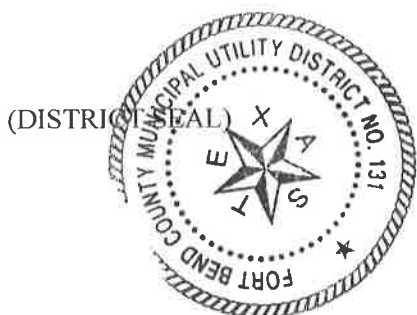
Upon motion by Director Miller, seconded by Director Dotson, and after discussion the Board voted unanimously to (1) terminate the services of MCI; and (2) engage Protocol Bookkeeping as the District's bookkeeper, subject to revision of the Agreement submitted by Protocol to provide a 30-day termination clause and nominal CPI increases only with Board approval. It was the consensus of the Board that the District's Attorney work with MCI and Protocol to determine when MCI's termination would be effective.

**BOARD COMMENTS**

No comments were offered.

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

PASSED, APPROVED, AND ADOPTED, this 26th day of November 2019.



Secretary, Board of Directors