

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 140

Minutes of Regular Meeting of Board of Directors

February 16, 2016

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 140 (the "District") met in regular session, open to the public, on February 16, 2016, at 12:00 p.m., at the offices of Roberts Markel Weinberg Butler Hailey PC, 2277 Plaza Drive, Suite 290, Sugar Land, Fort Bend County, Texas 77479, outside the boundaries of the District and in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board, as follows:

Jack Morgan Brady	President
Gordon Yeatts	Vice President
Rosa Coward	Assistant Vice President
Arden Myers	Secretary
John Braswell	Assistant Secretary

and all of said persons were present with the exception of Director Yeatts, thus constituting a quorum.

Also present during all or part of the meeting were Susan Lang and Marika Fernandez of the City of Richmond, Texas (the "City"); Ron Dechert of Costello, Inc.; Phil Halbert of Champions Hydrolawn, Inc. ("Champions"); Diane Bailey of McLennan and Associates; Monica Pena of Utility Tax Service, LLC ("Utility Tax"); Les Newton and Jim Harper of Planned Community Developers Ltd. ("PCD"); and Joel Cleveland and Olivia Galvan of Jeanne H. McDonald, P.C.

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board considered approving the minutes of its regular meeting on January 19, 2016. After discussion, Director Myers moved to approve the minutes of the January 19, 2016, regular meeting as amended. Director Coward seconded the motion, which passed unanimously.

ACTION LIST

The action list was reviewed. Ms. Bailey noted that she had reviewed past City of Richmond invoices for operations services and revised that section of the Bookkeeper's Report summarizing the revenues and expenses related to such services. No action was necessary.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Pena distributed and reviewed with the Board the Tax Assessor-Collector's Report for January 2016, a copy of which is attached hereto. She reported that as of January 31, 2016, the District's 2015 taxes were 94.80% collected. After discussion, Director Myers moved to approve the Tax Assessor/Collector's Report and payment of the bills. Director Braswell seconded the motion, and it passed unanimously.

DELINQUENT TAX ATTORNEY'S REPORT

There was no report from the Delinquent Tax Attorney.

INVESTMENT POLICY/ BROKER/DEALERS

Mr. Cleveland then reviewed with the Board the District's current authorized investments under the Investment Policy, a copy of which is attached hereto, and presented for the Board's consideration a Resolution Confirming the Investment Policy previously adopted on February 21, 2012.

Next, Mr. Cleveland presented an updated list of Broker/Dealers for the Board's consideration. After discussion, Director Braswell moved to adopt the Resolution Confirming the Investment Policy and the Resolution Adopting List of Approved Broker/Dealers. Director Coward seconded the motion, which passed unanimously.

PFIA DISCLOSURES

Ms. Bailey then presented the Public Funds Investment Act ("PFIA") disclosure of Shirley McLennan as the District's Bookkeeper and Investment Officer. She stated that her office would timely file the disclosure with the Texas Ethics Commission. After discussion, Director Coward moved to approve the PFIA disclosure and authorize its filing. Director Myers seconded the motion, which passed unanimously.

AWBD SUMMER CONFERENCE

Mr. Cleveland then asked if the Board would like to authorize its directors to attend the AWBD Summer Conference. He recommended that the Board set the maximum number of per diems and hotel nights eligible for reimbursement. Director Myers moved to authorize all directors to attend the AWBD Summer Conference and to authorize up to a maximum of four (4) per diems and reimbursement for up to three (3) hotel nights for attendance at the conference. Director Coward seconded the motion, and it passed unanimously.

BOOKKEEPER

Ms. Bailey then distributed and reviewed with the Board the Bookkeeper's Report from January 20, 2016, through February 16, 2016, and an Investment Report for January, copies of which are attached hereto. She reported a 17.46 month reserve in the District's operating account. Discussion then ensued regarding Director reimbursements that had not been paid, and Ms. Bailey

stated that she would investigate the matter and issue new checks if necessary. After discussion, Director Coward moved to approve the Bookkeeper's Report, the Investment Report and the payment of the bills. Director Myers seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Ms. Lang next presented the Operator's Report for January 2016, a copy of which is attached hereto. She reported 676 connections, 22 delinquent accounts and no identity thefts for January 2016. After discussion, Director Myers moved to approve the Operator's report and terminate service to the customers with delinquent accounts. Director Coward seconded the motion, which passed unanimously.

SURFACE WATER

Ms. Lang noted that the City had received bids for the construction of the surface water treatment plant and that bids had come in roughly \$2 million higher than projected. Discussion then ensued regarding the bids and bidding process. No action was necessary.

GROUNDWATER FACILITIES

Ms. Lang had nothing new to report.

MAINTENANCE OF RECREATIONAL FACILITIES

a. Report on work performed by Champions Hydrolawn;

Mr. Halbert presented the Detention and Drainage Facilities Report from Champions dated February 16, 2016, a copy of which is attached hereto. He then presented two options to alter the maintenance schedule of the District's Nature Park for the purpose of letting certain areas grow-in in order to deter recreational vehicle use as well as other undesired activities. After discussion, Director Braswell moved to accept Option 1 that provided for Champions to stop mowing the outfall area and mow a strip of the Nature Park by the adjoining residences twice per month. Director Coward seconded the motion, which passed unanimously.

b. Report on work performed by Lake Management Services, L.P.; and consider and approve proposals to repair or replace damaged District water fountain;

Mr. Cleveland presented two proposals from Lake Management Services related to a damaged water fountain at the District detention pond by Blaisdale Road. He explained that one proposal was to repair the fountain at a cost of \$2,170.40, and the other proposal was to replace the fountain at a cost of \$9,072.32. After discussion, Director Myers moved to accept the proposal from Lake Management Services to replace the fountain at the District's detention pond at a cost of \$9,072.32. Director Braswell seconded the motion, and it passed unanimously.

- c. Report on work performed by Brazos River's Edge Community Association, Inc.;

Mr. Newton reported that BRECA was renovating monument signs in the District and was in the process of performing a capital reserve study. No action was necessary.

- d. Consider and approve proposal from Houston Landscapes Unlimited for the installation of fencing at certain cul-de-sacs to control/limit access to the District's nature park; and

Mr. Newton then presented a proposal from Houston Landscapes Unlimited to install a split rail fence along the perimeter of the cul-de-sac at the end of Wimberly Knoll Lane at a cost of \$4,838.78 in order to prevent vehicle access to the Nature Park. Mr. Newton stated that PCD would pay for the installation subject to being reimbursed by the District as its next meeting. After discussion, Director Myers moved to authorize the reimbursement of PCD for the installation of the perimeter fence at the end of Wimberly Knoll Lane. Director Coward seconded the motion, and it passed unanimously.

- e. Consider and approve proposal from Plantation Irrigation & Landscaping to rehabilitate the District's baseball field.

Mr. Cleveland then presented a proposal from Plantation Irrigation & Landscaping to add dirt to and otherwise rehabilitate the District baseball field at a cost of \$6,875. After discussion, Director Myers moved to accept the proposal from Plantation Irrigation & Landscaping to add dirt to and otherwise rehabilitate the District baseball field at a cost of \$6,875. Director Braswell seconded the motion, and it passed unanimously.

ENGINEER'S REPORT

Mr. Dechert presented the Engineer's Report dated February 16, 2016, a copy of which is attached hereto.

- a. Section 15B

Mr. Dechert reported that Allgood Construction had finished installation of the water, sewer and drainage facilities to serve Section 15B, and he presented and recommended approval of Pay Estimate No. 3 and Final from Allgood Construction in the amount of \$50,204.21 for construction of same. He also presented and recommended approval of the Final Quantity Adjustment for the project for a total deduction of \$21,798.20. He then presented a Certificate of Completion for the project. Action was taken below.

b. Section 17

Mr. Dechert then presented and recommended approval of Pay Estimate No. 5 to CNS Construction in the amount of \$16,506.25 for construction of water, sewer and drainage facilities to serve Section 17.

After discussion, Director Braswell moved to approve the Engineer's Report; approve payment of Pay Estimate No. 3 and Final to Allgood Construction in the amount of \$50,204.21 for construction of water, sewer and drainage facilities to serve Section 15B; approve the Final Quantity Adjustment for the Section 15B project for a total deduction of \$21,798.20; accept the Certificate of Completion for the Section 15B project; and approve payment of Pay Estimate No. 5 to CNS Construction in the amount of \$16,506.25 for construction of water, sewer and drainage facilities to serve Section 17. Director Coward seconded the motion, and it passed unanimously.

BOND ISSUE

Mr. Dechert reported that he was working on completing the cost estimates for the proposed bond issues and that he planned to include an estimated amount for the District's share of the project to construct Phase II of the Edgar Water Plant. No action was necessary.

2016 DIRECTOR ELECTION

This item was tabled.

ADOPT ORDER CALLING DIRECTOR'S ELECTION TO BE HELD ON MAY 7, 2016

Mr. Cleveland presented for the Board's consideration an Order Calling a Director's Election to be held on May 7, 2016. Action was taken below.

APPROVE CONTRACT WITH FORT BEND COUNTY FOR ELECTION SERVICES

Mr. Cleveland reported that the District can contract with Fort Bend County (the "County") to hold a joint election on May 7, 2016, for the upcoming Director's Election. Action was taken below.

APPOINT AN AGENT FOR THE DISTRICT IN CONNECTION WITH THE MAY 7, 2016, ELECTION

Mr. Cleveland then informed the Board that they are required to appoint an agent in connection with the May 7, 2016, Director's Election and suggested that they appoint Ms. Olivia Galvan as agent.

Director Coward moved to adopt the Order Calling a Directors' Election to be held on May 7, 2016; approve the contract with the County to hold a joint election on May 7, 2016, for the upcoming Directors' Election; and appoint Olivia Galvan as Election Agent for the District's

Directors' Election to be held on May 7, 2016. Director Myers seconded the motion, which passed unanimously.

DEVELOPER

Mr. Newton reported that home sales were still strong. No action was necessary.


EXECUTIVE SESSION

The Board did not convene in executive session.

ADJOURNMENT

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




Secretary

LIST OF ATTACHMENTS TO MINUTES

	Minutes <u>Page</u>
Tax Assessor/Collector Report	2
Authorized Investments	2
Bookkeeper's Report and Investment Reports	2
Operator's Report.....	3
Champions Detention and Drainage Report	3
Engineer's Report	4

ACTION LIST

There was no action list.