

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 140

Minutes of Regular Meeting of Board of Directors

April 19, 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 April 19, 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, thus constituting a quorum.

Also present during all or part of the meeting were Ron Dechert of Costello, Inc.; Phil Halbert of Champions Hydrolawn, Inc. ("Champions"); Rochelle Arterburn of Utility Tax Service, LLC ("Utility Tax"); Les Newton and Jim Harper of Planned Community Developers Ltd. ("PCD"); and Jeanne McDonald, Joel Cleveland and Olivia Galvan of Jeanne H. McDonald, P.C.

PUBLIC COMMENTS

Mr. Cleveland explained that the District's Bookkeeper and Operator would not be attending the meeting due to flooding in the greater Houston area.

MINUTES

The Board considered approving the minutes of its regular meeting on March 15, 2016. After discussion, Director Myers moved to approve the minutes of the March 15, 2016, regular meeting as presented. Director Yeatts seconded the motion, which passed unanimously.

ACTION LIST

There was no action list.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Arterburn distributed and reviewed with the Board the Tax Assessor-Collector's Report for March 2016, a copy of which is attached hereto. She reported that as of March

31, 2016, the District's 2015 taxes were 97.09% collected. After discussion, Director Coward moved to approve the Tax Assessor/Collector's Report and payment of the bills. Director Myers seconded the motion, and it passed unanimously.

DELINQUENT TAX ATTORNEY'S REPORT

There was no report from the Delinquent Tax Attorney.

BOOKKEEPER

Mr. Cleveland explained that Diane Bailey could not make the meeting due to weather but that she had messengered over the monthly checks for the Board's approval and signature. He stated that the full Bookkeeper's report would be emailed to the Board. After discussion, Director Myers moved to approve payment of the checks as presented. Director Yeatts seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Cleveland stated that representatives of the City of Richmond ("City") were unable to attend the meeting due to weather. He then presented and reviewed with the Board the Operator's report that had been forwarded by the City, a copy of which is attached hereto. Mr. Dechert then reported that a representative of the City had requested that the District prepare a map of all of the District's water and sewer lines for use by the City. Mr. Dechert asked for Board authorization to create the map and estimated it to cost around \$1,000. After discussion, Director Myers moved to approve the Operator's report, terminate service to those customers with delinquent accounts and authorize the District's Engineer to create a map of the District's water and sewer lines for use by the City. Director Coward seconded the motion, which passed unanimously.

WATER CONSERVATION IMPLEMENTATION REPORT

Mr. Cleveland next asked the Board to approve the annual Water Conservation Implementation Report. Director Yeatts moved to approve the annual Water Conservation Implementation Report and authorize its filing. Director Braswell seconded the motion, which passed unanimously.

CONSUMER CONFIDENCE REPORT

Mr. Cleveland then requested that the Board authorize the Operator to prepare the annual Consumer Confidence Report, noting that the report would be mailed to the District's customers and contain details regarding the safety of the District's water and levels of certain enumerated contaminants (if any). Director Yeatts moved to approve the preparation of the Consumer Confidence Report. Director Braswell seconded the motion, which passed unanimously.

SURFACE WATER

There was no report.

GROUNDWATER FACILITIES

There was no report.

MAINTENANCE OF RECREATIONAL FACILITIES

- a. Report on work performed by Champions Hydrolawn, consider proposal to remove dead tree(s) from the nature park, if appropriate;

There was no written report. Mr. Halbert reported on the condition of the nature trail, noting that areas were likely underwater due to the heavy rains the night before. He also reported a 60 foot tall dead tree in the nature park and stated that it could fall on Mr. Windrow's adjacent property. He suggested the tree be removed and recommended James King to take it down. After discussion, Director Braswell moved to authorize the removal of the dead tree at a cost not to exceed \$1,000. Director Yeatts seconded the motion, which passed unanimously.

- b. Report on work performed by Lake Management Services, L.P.;

There was no report.

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

There was no report.

- d. Consider proposal from James King to implement erosion control measures at Detention Pond No. 3.

Mr. Dechert reported regarding erosion of the banks at Detention Pond No. 3, and he recommended that the Board authorize James King to perform erosion control measures to correct the problem at a cost not to exceed \$7,000. After discussion, Director Myers moved to authorize Mr. King to perform the erosion control at a cost not to exceed \$7,000. Director Braswell seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Dechert then presented the Engineer's Report dated April 19, 2016, a copy of which is attached hereto.

- a. Section 17

Mr. Dechert presented and recommended approval of Pay Estimate No. 6 & Final from CNS Construction in the amount of \$32,005.99 for the construction of water, sewer and drainage facilities to serve Section 17. He also presented and recommended approval of the final quantity adjustment for a total cost increase of \$81,252.50. After discussion, Director Yeatts moved to approve the Engineer's

report, approve payment of Pay Estimate No. 6 & Final to CNS Construction in the amount of \$32,005.99 for the construction of water, sewer and drainage facilities to serve Section 17, and approve the final quantity adjustment for a total cost increase of \$81,252.50. Director Braswell seconded the motion, which passed unanimously.

Mr. Dechert and Mr. Newton then reported regarding drainage issues behind Section 17, noting that water was not draining properly. Mr. Newton reported that the water was stagnant and harboring a lot of mosquitos. He then requested that the Board authorize James King to improve the drainage channel to correct the issue at a cost not to exceed \$20,000. Ms. McDonald then inquired regarding ownership of the drainage channel and stated that the District should obtain and accept an easement for the drainage channel to allow the District access to perform maintenance etc., provided it did not already own the property or have a right of access. After discussion, Director Yeatts moved to authorize Mr. King to improve the drainage channel at a cost not to exceed \$20,000 and to accept an easement providing the District with a right of access to the channel, if necessary. Director Braswell seconded the motion, which passed unanimously.

BOND ISSUE

Mr. Dechert reported that he was in the process of preparing the bond application for submittal to the Texas Commission on Environmental Quality ("TCEQ"). He then reviewed with the Board a draft summary of costs (a copy of which is attached to the Engineer's report). Ms. McDonald then discussed issues related to the bonds for the District's recreational facilities and suggested that the Board consider postponing sale of such bonds until 2017 to allow for the District's value to increase, which, over the long term, could permit the District to reimburse the developer more quickly for such projects. After discussion, Director Myers moved to approve a bond application with amounts not to exceed \$6 million for water, sewer and drainage facilities and \$2.5 million for recreational facilities and approve the Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds. Director Braswell seconded the motion, which passed unanimously.

DEVELOPER

Mr. Newton reported regarding the installation of power lines behind Sections 15B and 17. 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.

John Brant
Secretary



LIST OF ATTACHMENTS TO MINUTES

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ACTION LIST

There was no action list.