

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 140

Minutes of Regular Meeting of Board of Directors

May 17, 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 May 17, 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 Myers, thus constituting a quorum.

Also present during all or part of the meeting were Ron Dechert and Brent Palermo of Costello, Inc.; Phil Halbert of Champions Hydrolawn, Inc. ("Champions"); Monica Pena of Utility Tax Service, LLC ("Utility Tax"); Diane Bailey of McLennan and Associates; Susan Lang of the City of Richmond ("City"); Les Newton 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.

NEW TERMS OF OFFICE

- a. Consider and approve Certificates of Election, bonds, oaths and sworn statements of newly elected directors and authorize appropriate action

Mr. Cleveland presented to the Board the Certificates of Election, Bonds, Oaths of Office and Sworn Statements for Directors Brady, Myers and Yeatts. Action was taken below.

- b. Consider reorganizing the Board and authorize appropriate action

Mr. Cleveland then asked the Board if it wished to elect new officers. After discussion, the Board concurred not to elect new officers and that the District's officers should remain as listed above.

- c. Approve revised District Registration Form and filing of same with the Texas Commission on Environmental Quality ("TCEQ") and authorize all other appropriate action

Mr. Cleveland then presented the District Registration Form reflecting the new terms of office for the reelected Directors. After discussion, Director Coward moved to approve the Certificates of Election, Bonds, Oaths of Office and Sworn Statements for the reelected Directors and approve the District Registration Form and to authorize filing of same with the TCEQ. Director Yeatts seconded the motion, which passed unanimously.

MINUTES

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

ACTION LIST

There was no action list.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Pena distributed and reviewed with the Board the Tax Assessor-Collector's Report for April 2016, a copy of which is attached hereto. She reported that as of April 30, 2016, the District's 2015 taxes were 97.11% collected. After discussion, Director Braswell moved to approve the Tax Assessor/Collector's Report and payment of the bills. Director Yeatts seconded the motion, and it passed unanimously.

DELINQUENT TAX ATTORNEY'S REPORT

There was no report from the Delinquent Tax Attorney.

BOOKKEEPER

Ms. Bailey then distributed and reviewed with the Board the Bookkeeper's Report from April 20, 2016, through May 17, 2016, and an Investment Report for April, copies of which are attached hereto. She reported an 18.04 month reserve in the District's operating account. After discussion, Director Braswell moved to approve the Bookkeeper's Report, the Investment Report and the payment of the bills. Director Yeatts seconded the motion, which passed unanimously.

INSURANCE

Mr. Cleveland then presented and reviewed with the Board a proposal to renew the District's insurance policies, as prepared by McDonald & Wessendorff Insurance. He pointed out that the total renewal premium was \$8,757.00, an increase of \$4.00 as compared to the

previous years' premium. Director Coward moved to approve the proposal to renew the District's insurance policies. Director Brady seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Ms. Lang next presented the Operator's Report for April 2016, a copy of which is attached hereto. She reported 690 connections, 13 delinquent accounts and no identity thefts for April 2016. After discussion, Director Coward moved to approve the Operator's report and terminate service to those customers with delinquent accounts. Director Yeatts seconded the motion, which passed unanimously.

CONSUMER CONFIDENCE REPORT

Ms. Lang reported that the City was working on preparing the annual Consumer Confidence Report (i.e., 2015 Water Quality Report) and that the report would be presented to the Board at its June meeting. No action was necessary.

EMERGENCY PREPARATIONS

Ms. Lang reported that the City was maintaining and inspecting its facilities in preparation for an emergency situation. She stated that the City tests its emergency generators weekly and would be topping of the fuel tanks in preparation for hurricane season. No action was necessary.

SURFACE WATER

Ms. Lang stated that May 2017 was the tentative date for the surface water plant to be online. No action was necessary.

GROUNDWATER FACILITIES

Ms. Lang stated that the City had decided to downsize the planned elevated storage tank at the Edgar Water Plant from 750,000 gallons to 500,000 gallons. No action was necessary.

MAINTENANCE OF RECREATIONAL FACILITIES

a. Report on work performed by Champions Hydrolawn:

Mr. Halbert presented and reviewed with the Board a copy of the Detention and Drainage Facilities Report dated May 17, 2016, a copy of which is attached hereto. He reported that the District's nature trail was under several inches of mud in places due to recent rains. Discussion then ensued regarding whether to repair the trail or wait given that more heavy rains were expected. After discussion, the Board concurred to postpone repair of the nature trail.

- b. Report on work performed by James King Construction, consider proposal from James king to replace the gate at the entrance to the nature park;

Mr. Cleveland then reported that James King had removed the dead tree in the Nature Park and had begun work on the drainage improvements to the channel behind Section 17. He further reported that Mr. King had installed a new, heavy-duty gate at the entrance to the Nature Trail. He then asked the Board if it wished to reimburse Mr. King the \$750 for the new gate. Director Coward moved to reimburse Mr. King the \$750 for the new gate. Director Yeatts seconded the motion, which passed unanimously.

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

Mr. Cleveland then presented a proposal from Lake Management Services to repair the make-up pump for Detention Pond No. 3. He explained that the proposal showed costs for two scenarios: \$1,650.00 for the best case scenario (pull, inspect, clean and reinstall pump), and \$5,610.00 for the worst case scenario (replace the pump with a new one). Mr. Cleveland suggested that the Board approve up to \$1,650.00 to have the pump pulled and inspected and ask Lake Management Services to then report to the Board if further repairs were needed. After discussion, Director Coward moved to approve up to \$1,650.00 to have the pump pulled and inspected. Director Yeatts seconded the motion, and it passed unanimously.

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

There was no report.

- e. Consider and approve contract for mosquito spraying services.

Mr. Cleveland then presented a contract proposal from Cypress Creek Mosquito Control, Inc. to perform weekly mosquito spraying at a cost of \$70 per week. He reminded the Board that it had contracted with the company the previous summer. After discussion, Director Coward moved to approve the contract for mosquito spraying services. Director Braswell seconded the motion, which passed unanimously.

ENGINEER'S REPORT

There was no written report.

- a. Section 17

Mr. Dechert reported that the Section 17 improvements were complete. No action was necessary.

BOND ISSUE

Mr. Dechert reported that the draft bond application had been completed and was being turned over to the District's attorney for review. Mr. Cleveland stated that he would review the application, and he estimated that the application would be submitted to the TCEQ for review before the District's June meeting. Discussion then ensued regarding the District's value and the rule limiting a District's outstanding bonded indebtedness for recreational facilities to 1% of the District's assessed value. No action was taken.

DEVELOPER

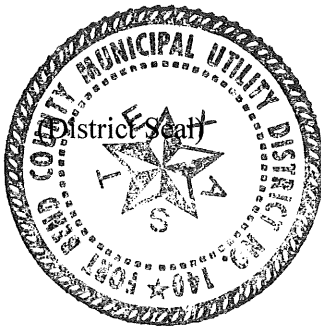
Mr. Newton reported that homebuilding was still strong. No action was necessary.

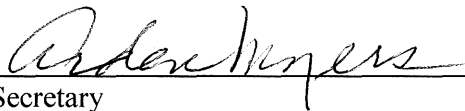
EXECUTIVE SESSION

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

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ACTION LIST

There was no action list.