

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 140

Minutes of Regular Meeting of Board of Directors

April 18, 2017

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 18, 2017, 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. ("Costello"); Monica Pena of Utility Tax Service, LLC ("Utility Tax"); Jorge Diaz of McLennan and Associates; Marika Fernandez and Scott Fajkus of the City of Richmond ("City"); Josh Fort of Champions Hydrolawn, Inc. ("Champions"); Les Newton of Planned Community Developers Ltd. ("PCD"); Joel Cleveland and Olivia Galvan of Jeanne H. McDonald, P.C; and members of the public listed on the sign-in sheet attached hereto.

PUBLIC COMMENTS

Director Brady welcomed everyone to the meeting.

Mr. Harrigan then suggested that the Board consider periodically holding evening meetings. He stated that he believes more residents would be able to attend the meetings if they were held in the evening. He also suggested that the Board hold another town hall meeting to update District residents on the status of the berm project, or, alternatively, provide a written update that could be distributed with the District's utility bills. Discussion then ensued regarding the time and location of the Board meetings as well as the timing of a future town hall meeting. Action related to this request was taken below.

TAX ASSESSOR-COLLECTOR'S REPORT

This item was taken out of order. Ms. Pena distributed and reviewed with the Board the Tax Assessor-Collector's Report for March 2017, a copy of which is attached hereto. She reported that as of March 31, 2017, the District's 2016 taxes were 97.93% collected. After discussion,

Director Coward moved to approve the Tax Assessor-Collector's Report and the payment of the bills. Director Braswell seconded the motion, which passed unanimously.

BERM CONSTRUCTION

- a. Report on status of storm sewer drainage along northern boundary of District and installation of additional drainage inlet;

Mr. Dechert reported that James King is still coordinating with David Smith (the homeowner) regarding installation of the additional drainage inlet on the back-property line of 622 Silver Creek Circle.

In response to comments from the public regarding the condition of the drainage inlets, Mr. Cleveland asked the Board if it would like to authorize James King to clean out the inlets and to request that Champions provide a proposal to put the inlets, as well as the District's new flap-gate, on a quarterly maintenance schedule. After discussion, Director Brady moved to authorize Mr. King to clean out the drainage inlets and to request the maintenance schedule proposal from Champions. Director Coward seconded the motion, which passed unanimously.

- b. Receive report on installation of flap-gate at District's nature park outfall structure, approve pay estimates and change orders if necessary, and accept certificate of completion if appropriate; and

Mr. Dechert reported that the contractor, Hurtado Construction Co., ("Hurtado") completed the project. He then presented and recommended approval of Pay Estimate No. 2 and Final to Hurtado in the amount of \$6,317.33 and a Final Quantity Adjustment decreasing the total contract price by \$13,020.59. Director Yeatts moved to approve the Final Quantity Adjustment and payment of Pay Estimate No. 2 and Final to Hurtado in the amount of \$6,317.33. Director Myers seconded the motion, which passed unanimously.

- c. Report on District efforts to reconstruct the berm, approve revised settlement and release agreement with Fort Bend County Municipal Utility District No. 145 ("MUD 145") if necessary, and accept a revised Flood Protection Easement from MUD 145 if necessary.

Mr. Cleveland then reported that MUD 145's engineers are still reviewing the engineering report and modeling submitted by Costello for the purpose of determining whether the proposed berm will have an adverse impact on MUD 145. He reminded the Board that Costello's report shows no adverse impact but that MUD 145 has hired its own engineering firm to confirm the finding. He stated that MUD 145 will not permit the District to construct the berm unless and until its engineers concur that the berm will not negatively impact MUD 145 or its constituents. Mr. Dechert then reported that the plans for the berm have been submitted to the City and to Fort Bend County for review. Discussion then ensued regarding how long the reviews and approval process may take. The Board then revisited Mr. Harrigan's suggestion that a letter be written to District residents updating them on the status of the berm project. After discussion, Director Myers moved that the

District's attorney write a letter updating District residents on the status of the berm project and that the District's operator include the letter in the next mailing of the District's water bills. Director Coward seconded the motion, which passed unanimously, with the exception of Director Braswell, who opposed.

Mr. Dechert then stated that he will have soil testing performed on dirt that the City has offered to the District for the berm project to determine if it can be used for the project.

Director Myers left the meeting at 12:45 p.m.

MINUTES

The Board next considered approving the minutes of its regular meeting held on March 21, 2017. Director Coward moved to approve the minutes of the March 21, 2017, regular meeting as presented. Director Yeatts seconded the motion, which passed unanimously.

ACTION LIST

There was no action list.

DELINQUENT TAX ATTORNEY

There was no report.

Director Myers re-entered the meeting at 12:47 p.m.

BOOKKEEPER

Mr. Diaz distributed and reviewed with the Board the Bookkeeper's Report from March 22, 2017, through April 18, 2017, and an Investment Report for March, copies of which are attached hereto. He reported a 15.64-month reserve in the District's operating account. After discussion, Director Yeatts moved to approve the Bookkeeper's Report, the Investment Report, and the payment of the bills. Director Braswell seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Ms. Fernandez next presented the Operator's Report for March 2017, a copy of which is attached hereto. She reported 762 connections, 17 delinquent accounts, and no identity thefts for March 2017. Mr. Fajkus reported that the Edgar Water Plant is online and that the City is still pursuing a location for the planned elevated storage tank. After discussion, Director Myers moved to approve the Operator's report and terminate service to those customers with delinquent accounts. Director Yeatts seconded the motion, which passed unanimously.

ANNUAL REPORTS

Mr. Cleveland explained that the District is required to prepare and file with the Texas Water Development Board an annual Water Conservation Implementation Report regarding the District's water conservation efforts. He also explained that the District is required to prepare and distribute a Consumer Confidence Report, on an annual basis, regarding the quality of the District's water. Mr. Fajkus stated that the City is preparing the Water Conservation Implementation Report and will file it as required by May 1. He also stated that the City will be preparing the Consumer Confidence Report. Director Yeatts moved to authorize the City to prepare and file the Water Conservation Implementation Report and prepare the Consumer Confidence Report. Director Braswell seconded the motion, which passed unanimously.

MAINTENANCE OF RECREATIONAL FACILITIES

a. Report on work performed by Champions Hydrolawn;

Mr. Fort presented the Detention and Drainage Facilities Report dated April 18, 2017, a copy of which is attached hereto. After discussion, no action was necessary.

b. Report on work performed by James King Construction;

Mr. Cleveland reported that Mr. King walked the District's nature trail and has proposed the removal of a couple of dead trees along the trail at a cost of between \$1,500 and \$2,500. After discussion, the Board requested that Champions investigate and also submit a proposal for removal of dead trees along the nature trail.

Mr. Cleveland also reported that Mr. King has not yet been able to complete work on the drainage improvements behind Section 17 due to wet conditions.

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

There was no report.

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

Mr. Newton reported that the Brazos River's Edge Community Association, Inc. is removing dead trees along Blaisdale. No action was necessary.

ENGINEER'S REPORT

There was no additional report.

DEVELOPER

Mr. Newton reported that there are only 17 lots remaining in Section 17, 38 lots in Section 15B, and 55 floodplain lots. After discussion, no action was necessary.

LEGAL UPDATE – EMBANKMENT REMOVAL

There was no report.

EXECUTIVE SESSION

The Board did not convene in executive session.

ADJOURNMENT

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



Arden Myers
Secretary

LIST OF ATTACHMENTS TO MINUTES

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ACTION LIST

There was no action list.