

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 140

Minutes of Regular Meeting of Board of Directors

December 18, 2018

The Board of Directors (the “Board”) of Fort Bend County Municipal Utility District No. 140 (the “District”) met in special session, open to the public, on Tuesday, December 18, 2018, at 6:00 p.m., at Joy Lutheran Church, 717 FM 359, Richmond, Fort Bend County, Texas 77406, 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:

David Smith	President
Gene Tomas	Vice President
Barry Waites	Assistant Vice President
Suzan Orr	Secretary
Feryal Abdulkader	Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present during all or part of the meeting were Ed Harrigan, Chairman of the Regional Levee Improvement District Steering Committee (“Steering Committee”); Matthew Reed of Schwartz, Page, & Harding, L.L.P. (“SPH”); Vanessa Marsters of Brazos River’s Edge Community Association, Inc. (“BRECA”); Stephen Wilcox, Ron Dechert, and Chad Hablinski of Costello, Inc. (“Costello”); JoAnn Ramos of Utility Tax Service, LLC (“Utility Tax”); Jorge Diaz of McLennan and Associates, L.P.; Susan Lang, of the City of Richmond (“City”); Joel Cleveland and Olivia Galvan of Jeanne H. McDonald, P.C; and those persons listed on the sign-in sheet attached hereto.

MINUTES

The Board considered approving the minutes of its regular meeting held on November 27, 2018. After discussion, Director Orr moved to approve the minutes of the November 27, 2018, regular meeting as presented. Director Tomas seconded the motion, which passed unanimously.

GARBAGE

Mr. Cleveland updated the Board regarding negotiations with Best Trash for garbage and recycling collection services. He confirmed with Best Trash, LLC (“Best Trash”) that the proposed rate of \$19.75 for residential single-family users presented at the last meeting is based on a 5-year term contract with a 65 gallon recycling bin. He also reported that Best Trash is still willing to include the contractual obligation of the concierge services. After discussion, Director Orr moved to approve a contract with Best Trash for garbage and recycling collection services effective March 1, 2019, to include a contractual obligation for the concierge services, a 5-year term, a rate of

\$19.75 per single-family user, and 65 gallon recycling bins; and delegate final form approval to Director Smith. Director Waites seconded the motion, which passed unanimously.

OPERATOR

Ms. Lang presented the Operator's Report for November, a copy of which is attached hereto. She reported 850 connections, 31 delinquent accounts, and no identify thefts for November 2018. Director Waites then inquired regarding a sewage issue within the District. In response, Director Orr commented that she witnessed workers attempting to clear sewer lines near her home over the weekend. Director Waites then inquired why the Board was not informed of the sewer repair and if Ms. Lang would provide a report. In response, Ms. Lang stated that she was not aware of the sewer repair, that the City is contractually authorized to perform repairs less than \$2,500.00 without Board action and to make necessary emergency repairs, and that she will inquire with the City's operations department for further detail. Discussion ensued regarding notice of facility repairs and what measures could be taken to better inform the Board of repairs in the future. Director Waites then volunteered to act as the District's liaison with the Operator for future repairs that exceed the City's discretionary authority. In response to Ms. Lang's request for an alternate contact, Director Orr volunteered to be an alternate contact if Director Waites could not be reached. After discussion, Director Waites moved to approve the Operator's Report; terminate service to those customers with delinquent accounts; and designate Director Waites as the District liaison for future repairs exceeding the City's discretionary authority, with Director Orr serving as an alternate contact. Director Orr seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR

Ms. Ramos distributed and reviewed with the Board the Tax Assessor-Collector's Report for November 2018, a copy of which is attached hereto. She reported that as of November 30, 2018, the District's 2017 taxes were 99.51% collected, and the District's 2018 taxes were 3.75% collected. Ms. Ramos then asked the Board if it would like a new aerial photograph taken of the District. After discussion, Director Waites moved to approve the Tax Assessor/Collector's Report, payment of the bills, and authorize a new aerial photograph. Director Tomas seconded the motion, which passed unanimously.

BOOKKEEPER

Mr. Diaz distributed and reviewed with the Board the Bookkeeper's Report from November 28, 2018, through December 18, 2018, and Investment Report for November, copies of which are attached hereto. He reported a 11.76-month reserve in the District's operating account. After discussion, Director Waites moved to approve the Bookkeeper's Report, the Investment Report, and the payment of the bills. Director Orr seconded the motion, which passed unanimously.

MAINTENANCE OF RECREATIONAL FACILITIES

a. Report on work performed by Champions Hydrolawn;

The Detention and Drainage Facilities Report from Champions dated November, 2018 was distributed, a copy of which is attached hereto. Mr. Dechert and Director Smith reported that the drainage inlets along the Northern Boundary were cleared of debris and recommended that the drainage inlets be inspected when high water events are anticipated.

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

Mr. Cleveland reported that Lake Management Services, L.P. is discerning possible solutions to the erosion issues reported at the District's lake south of Blaisdale Road. He also reported that a proposal for erosion solutions will be presented at the District's January meeting pending receipt from Lake Management. No action was necessary.

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

Ms. Marsters gave an update on recent BRECA activities and projects. She reported that light bulbs were replaced for three of the District's decorative lanterns. No action was necessary.

d. Receive Report on and take action regarding erosion at District amenity/detention pond.

There was no additional report.

PUBLIC COMMENTS

The meeting was opened for public comments.

ENGINEER

Mr. Dechert presented the Engineer's Report dated December 18, 2018, a copy of which is attached hereto.

a. Flap Gate:

Mr. Dechert reported that the survey of the outfall ditch and surrounding area is complete, and Costello is preparing to attend the Pecan Grove Municipal Utility District meeting in January to present the District's request to install the flap gate at the outfall to Jones Creek and FM 359. No action was necessary.

b. Emergency Flood Mitigation:

Mr. Wilcox reported on a meeting with representatives of Fort Bend County Road & Bridge Department and Fort Bend County Drainage District (collectively the “County”) regarding their ability to provide manpower to install “Tiger Tubes” in the event of imminent flooding. He stated that the County is not willing to commit to an Interlocal Agreement with the District to install the tubes, but the County is willing to provide volunteer assistance, if available, upon completion of training of staff. Director Smith then reported that he and Costello are working with LMS, a local operator, to provide the training and help secure “Tiger Tubes” on loan from other governmental entities.

c. NRCS Grant:

Mr. Dechert then reported on a meeting with ER-Con Technologies, LLC (“ER-Con”) regarding a proposal for a design/build contract. He stated that ER-Con proposes conducting the project in phases and that a proposal from ER-Con will be presented at the District’s January Board meeting. Director Smith then requested that Costello prepare a project schedule. After discussion, the Board concurred that ER-Con’s initial proposal should only contain those portions of the project that are necessary to begin at this stage and prior to receipt of the Project Agreement from the NRCS.

d. HMGP:

Mr. Wilcox then reported on the status of the District’s grant application to the Federal Emergency Management Agency’s (“FEMA”) Hazard Mitigation Grant Program (“HMGP”), managed by the Texas Division of Emergency Management (“TDEM”), to fund a District levee. He reported that the District’s application is currently under review by TDEM, which reviews and submits recommendations to FEMA on state grant applications received for HMGP. Mr. Cleveland then reported that he and Mr. Wilcox drafted a letter explaining the purpose of the project and the District’s need for the grant funding and submitted the letter to Senator Lois Kolkhorst’s office. He stated that Senator Kolkhorst then met with representatives of TDEM and lent her support to the project. After discussion, no action was necessary.

LID 22

This item was taken out of order. Mr. Ed Harrigan, Chairman of the Steering Committee, then presented and reviewed the Steering Committee’s request for the negotiation of an Interlocal Agreement between the District and Fort Bend County Municipal Utility District No. 145 (“FBMUD 145”) to form a regional levee partnership in pursuit of the creation of a levee and of a Regional Levee Improvement District (“Regional LID”). After discussion, Director Waites moved to authorize the District’s consultants to negotiate an Interlocal Agreement between the District and FBMUD 145 to form a regional levee partnership. Director Tomas seconded the motion, which passed unanimously.

DISTRICT BERM PROJECTS

a. Report/Design:

Mr. Dechert then presented an update on the status of the District's project to construct drainage and flood mitigation berms on DRS properties north of the District and along the southern boundary of the District. He also clarified a proposal presented at the last meeting regarding modifying the District's South Berm construction plans in an effort to move construction forward on portions of the South Berm that do not have land acquisition issues. After discussion, the Board concurred not to pursue modifying the District's construction plans in connection with construction of the South Berm.

EXECUTIVE SESSION TO DISCUSS: (A) PENDING OR CONTEMPLATED LITIGATION IN ACCORDANCE WITH SECTION 551.071 OF THE TEXAS GOVERNMENT CODE; (B) ACQUISITION OF REAL PROPERTY IN ACCORDANCE WITH SECTION 551.072 OF THE TEXAS GOVERNMENT CODE; (C) PERSONNEL MATTERS IN ACCORDANCE WITH SECTION 551.074 OF THE TEXAS GOVERNMENT CODE; (D) TO RECEIVE INFORMATION FROM EMPLOYEES OR QUESTION EMPLOYEES IN ACCORDANCE WITH SECTION 551.075 OF THE TEXAS GOVERNMENT CODE; OR (E) ECONOMIC DEVELOPMENT NEGOTIATIONS OR OFFERS OF FINANCIAL INCENTIVES FOR ECONOMIC DEVELOPMENT IN ACCORDANCE WITH SECTION 551.087 OF THE TEXAS GOVERNMENT CODE.

The Board convened into Executive Session at 8:11 p.m. pursuant to Section 551.071 and Section 551.072 of the Texas Government Code to discuss anticipated litigation and acquisition of real property.

RECONVENE IN OPEN SESSION: RECONVENE IN PUBLIC SESSION TO CONSIDER AUTHORIZING DISTRICT STAFF AND CONSULTANTS TO TAKE ANY ACTION NECESSARY WITH RESPECT TO (A) PENDING OR CONTEMPLATED LITIGATION; (B) ACQUISITION OF REAL PROPERTY; (C) PERSONNEL MATTERS; AND (D) RECEIVING INFORMATION FROM OR QUESTIONING EMPLOYEES; (E) ECONOMIC DEVELOPMENT NEGOTIATIONS OR OFFERS OF FINANCIAL INCENTIVES; AND (F) ANY OTHER MATTERS RELATIVE TO ANY OF THESE MATTERS WHICH WAS RECONVENE IN OPEN SESSION.

The Board then reconvened into open session at 9:16 p.m.

DISTRICT BERM

b. Condemnation:

No action was necessary.

WATER CHARGES

Director Waites then reviewed with the Board his analysis of City water rates. After discussion, Director Waites moved to approve the City's new rates for water supply effective January 1, 2019, as presented at the District's August Board meeting (\$9,389 monthly fixed cost; \$0.0008 per gallon variable cost); approve settlement in full of the reimbursement for overpayments of water supply fees owed to the District by the City equal to the District's share of the construction costs associated with phase two of construction of the elevated storage tank (the District has \$425,000 escrowed for this purpose); and authorize the District's attorney to notify the City via letter of such action. Director Orr seconded the motion, which passed unanimously.

RATE ORDER

This item was tabled.

WEBSITE

Mr. Cleveland inquired whether the Board has any comments regarding the website that he can relay to Shannon Waugh. Discussion ensued regarding the preparation of educational material for the District's website. Director Waites then volunteered to obtain advisory material on the hazards of disposal or flushable wipes on sanitary sewer systems for dissemination to the Board. There were no further comments.

ACTION LIST

The Board then reviewed the action list.

ADJOURNMENT

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

/s/ Suzan Orr
Secretary

(District Seal)



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ACTION LIST

DIRECTORS

Director Waites will forward advisory material on the hazards of disposable or flushable wipes.

ATTORNEY

Mr. Cleveland will continue to negotiate a contract for garbage and recycling collection services with Best Trash.

Mr. Cleveland will coordinate a presentation to the Board of Directors of Pecan Grove MUD regarding the proposed improvements to the outfall at FM359 and Jones Creek.

Mr. Cleveland will follow-up with Lake Management regarding lake erosion solutions for District's lake south of Blaisdale.

ENGINEER

Costello will coordinate with LMS, a local operator, regarding the request to obtain "Tiger Tubes" on loan from other governmental entities.

Costello will send Director Smith a template emergency management plan.

OPERATOR

Ms. Lang will investigate and distribute a report on repairs conducted to the District's sanitary sewer system.

NRCS GRANT ACTION LIST

ATTORNEY

Mr. Cleveland will request proposals from consultants specializing in NRCS Grant administration and compliance.

PALISADES CONTRACTOR

ER-Con Technologies, LLC will submit a proposal for a design/build contract in connection with the construction of erosion control systems known as Palisades.