

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 140

Minutes of Special Meeting of Board of Directors

November 14, 2017

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 November 14, 2017, at 6:00 p.m., at 2277 Plaza Drive, 1<sup>st</sup> Floor, 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	Secretary
Harry Murray	President
Janice Suchyta	Vice-President
John Braswell	Assistant Secretary
Gene Tomas	Assistant Vice-President

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

Also present during all or part of the meeting were Mark McGrath of McGrath & Co., PLLC; Stephen Wilcox of Costello, Inc. ("Costello"); Mike Arterburn of Utility Tax Service, LLC ("Utility Tax"); Olivia Cuellar of McLennan and Associates, L.P.; Scott Fajkus of the City of Richmond ("City"); Josh Fort of Champions Hydrolawn, Inc. ("Champions"); Joel Cleveland and Olivia Galvan of Jeanne H. McDonald, P.C; and those persons listed on the sign-in sheet attached hereto.

PUBLIC COMMENTS

Mr. Longerbone inquired about the Board's willingness to take certain agenda items out of order for the benefit of the public.

ENGINEER'S REPORT

This item was taken out of order. Copies of the Engineer's Report and Memorandum dated November 14, 2017, are attached hereto.

a. Sinkhole:

Mr. Willcox reported that Crosstex Construction, Inc. ("Crosstex") completed the sinkhole repairs on the District's outfall, and he presented and recommended Board approval of Pay Estimate No. 1 to Crosstex in the amount of \$13,500.00. He reported that Crosstex still needs to install the cul-de-sac fencing and that he expects the final pay estimate to be presented at the District's next meeting. After discussion, Director Braswell moved to approve Pay Estimate No. 1 to Crosstex in the amount of \$13,500.00. Director Suchyta seconded the motion, which passed unanimously.

Director Tomas entered the meeting at 6:02 p.m.

b. District's Rio Vista Berm:

Mr. Wilcox reported that a pre-construction meeting is scheduled with Solid Bridge Construction, LLC ("SBC") for November 21, 2017, at which time the engineer will issue the Notice to Proceed. No action was necessary.

c. District Berm:

Mr. Wilcox reported that the Emergency Preparedness Committee met and observed field conditions and identified flood mitigation projects for the Board's consideration, including the reconstruction and realignment of sections of District berm running through the McCaslin and Gonzalez properties to the north of the District ("North Berm Project"). He stated that new easements will be required due to the berm realignment and that a storm sewer outfall will need to be installed on the McCaslin property to allow for existing drainage from DRS Drive to continue to drain to the Brazos River. Mr. Wilcox also presented proposed improvements near the southern boundary of the District, including the construction of another berm, box culvert with flap and sluice gates, and adding a flap gate to an existing Texas Department of Transportation box culvert outfall ("South Berm Project"). He then requested Board authorization to proceed with the design of and, if appropriate, advertise for bids for construction of the North Berm Project; to begin design of the South Berm Project; and work with the District's attorney to prepare and negotiate easements with the respective property owners in connection with the North Berm Project. After discussion, Director Suchyta moved to authorize the District's engineer to proceed with the design of, and, if appropriate, advertise for bids for construction of the North Berm Project; begin design of the South Berm Project; and work with the District's attorney to prepare and negotiate easements with the respective property owners in connection with the North Berm Project. Director Braswell seconded the motion, which passed unanimously.

d. Emergency Contingency Plan:

Mr. Wilcox then reviewed with the Board various options identified by Costello that could be implemented during a flood event to mitigate water from entering the District from FM 359. After discussion, the Board concurred that the Emergency Preparedness Committee will meet to further consider the options.

e. Erosion:

Mr. Wilcox then reported that statements of qualifications from River Geomorphologists were presented to the Board at the District's last meeting and that, after review, all applicants were deemed qualified. He then reported that the cost of obtaining an engineering report from any of the engineering firms identified is approximately \$400,000 and up. He then requested Board authorization to apply for a bank stabilization grant from the United States Department of Agriculture, Natural Resources Conservation

Service (“NRCS”) to address erosion along the Brazos. He then reported that Fort Bend County received federal funds to conduct an erosion study along the Brazos River, south of the District, and that the District could request that the County consider extending the study to include that portion of the river adjacent to and immediately north of the District; however, he noted that there is not guarantee the County will do so. After discussion, Director Suchyta moved not to proceed with hiring a river geomorphologist, as the cost is beyond the District’s means; authorize Costello to submit a letter requesting assistance from the NRCS related to the stabilization of the Brazos River bank; and contact Fort Bend County regarding the possible extension of its ongoing erosion study of the Brazos River to include that portion of the river adjacent to and immediately north of the District. Director Tomas seconded the motion, which passed unanimously.

### MEETING PLACES

This item was taken out of order. Mr. Cleveland then presented a Resolution Adding Additional Meeting Places Outside the District for the Board’s consideration. Mr. Cleveland explained that several of the additional meeting places are closer to the District and can host a larger number of people. After discussion, Director Braswell moved to adopt a Resolution Adding Additional Meeting Places Outside of the District and to authorize its publication, as required by law. Director Tomas seconded the motion, which passed unanimously.

### MINUTES

The Board next considered approving the minutes of its regular meeting held on October 17, 2017, and special meeting held on November 2, 2017. After discussion, Director Tomas moved to approve the minutes of the October 17, 2017, regular meeting and November 2, 2017, special meeting as presented. Director Suchyta seconded the motion, which passed unanimously.

### COMMUNICATIONS COMMITTEE

Mr. Cleveland reported that proposals were received for the creation and maintenance of a District website. After discussion, Director Suchyta moved to create a Communications Committee consisting of Director Murray, herself, and other individuals as they may appoint, and for such committee to review the proposals and make a recommendation to the full Board of Directors for its consideration. Director Tomas seconded the motion, which passed unanimously.

### AUDIT

Mr. McGrath then presented and reviewed with the Board the audit for the fiscal year that ended on July 31, 2017. After discussion, Director Suchyta moved to approve the audit report

subject to attorney review and to authorize the filing of same with the Texas Commission on Environmental Quality. Director Tomas seconded the motion, which passed unanimously.

#### TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Arterburn distributed and reviewed with the Board the Tax Assessor-Collector's Report for October 2017, a copy of which is attached hereto. He reported that as of October 31, 2017, the District's 2016 taxes were 99.74% collected. After discussion, Director Braswell moved to approve the Tax Assessor/Collector's Report and payment of the bills. Director Tomas seconded the motion, which passed unanimously.

#### DELINQUENT TAX ATTORNEY

There was no report.

#### BOOKKEEPER

Ms. Cuellar distributed and reviewed with the Board the Bookkeeper's Report from October 18, 2017, through November 14, 2017, and an Investment Report for October, copies of which are attached hereto. She reported a 12.73-month reserve in the District's operating account. After discussion, Director Tomas moved to approve the Bookkeeper's Report, the Investment Report, and the payment of the bills. Director Suchyta seconded the motion, which passed unanimously.

#### INSURANCE

Mr. Cleveland then presented a proposal from McDonald & Wessendorff Insurance in the amount of \$600.00 to add Fort Bend County Municipal Utility District No. 145 ("MUD 145") as an additional insured on the District's general liability and auto insurance policies, as well as waiving subrogation rights and requiring 30-day notice of cancellation with respect to such policies. He stated that the additional coverages are required by the Settlement Agreement between the District and MUD 145. Director Suchyta moved to approve the proposal as presented. Director Tomas seconded the motion, which passed unanimously.

#### OPERATOR'S REPORT

Mr. Fajkus presented the Operator's Report for, a copy of which is attached. After discussion, Director Braswell moved to approve the Operator's Report. Director Suchyta seconded the motion, which passed unanimously.

#### APPRAISAL DISTRICT

Mr. Cleveland then presented to the Board the Election Ballot for 2018-2019 Board of Directors of Fort Bend Central Appraisal District. He stated that there are eight candidates running for five vacancies and that the District may cast its six votes for either one or more of the candidates. After discussion, Director Suchyta moved to approve submittal of the Election Ballot for 2018-2019 Board of Directors of Fort Bend Central Appraisal District, casting all six of its

votes for candidate Jimmy J. Pena, and approve the associated Resolution Voting for Representative on the Board of Directors of the Fort Bend County Appraisal District. Director Tomas 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 from Champions dated November 14, 2017, a copy of which is attached hereto. He reported that the new signs regarding the nature park closure will be posted the next time his crew comes out to mow. No action was taken.

b. Report on work performed by James King Construction, consider authorizing tree removal, consider proposal for regrading or other modification to a drainage inlet along the northern boundary of the District;

Mr. Cleveland stated that, due to wet conditions, Mr. King has not yet been able to assess the fallen tree at the edge of the District's nature trail that fell on neighboring property. After discussion, this item was then tabled.

#### OPERATOR'S REPORT

This item was revisited. Mr. Cleveland stated that the Board did not take action earlier to either terminate or not terminate water service to customers with delinquent accounts. After discussion, Director Braswell moved not to terminate service to those customers with delinquent accounts at this time. Director Suchyta seconded the motion, which passed unanimously.

c. Report on work performed by Lake Management Services, L.P., and consider proposal for coliform bacteria testing at District ponds; and

Mr. Cleveland then reported that coliform bacteria testing at District ponds was completed and the results showed high levels of coliform. He further reported that Mac McCune of Lake Management Services, L.P. stated that the high level is likely due to inundation of flood water during Hurricane Harvey and that the levels would likely be significantly lower if tested again in the near future. Discussion then ensued regarding posting signage at the amenity lakes warning residents not to enter the water. After discussion, this item was tabled pending conversations with BRECA regarding potential wording and appearance of the signs.

d. Report on work performed by Brazos River's Edge Community Association, Inc. ("BRECA"), and consider request for additional maintenance of the District's baseball field.

This item was tabled.

PREVAILING WAGE RATES

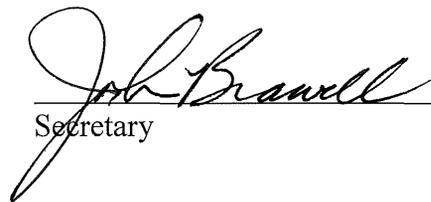
Next, Mr. Cleveland reviewed with the Board the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, utilizing the rate surveys conducted by the United States Department of Labor for Fort Bend County (i.e., Davis Bacon Wage Rates). He explained that the resolution establishes the minimum wage rates that contractors can pay their employees working on a public works project of the District. After discussion, Director Braswell moved to adopt the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects as presented. Director Tomas seconded the motion, which passed unanimously.

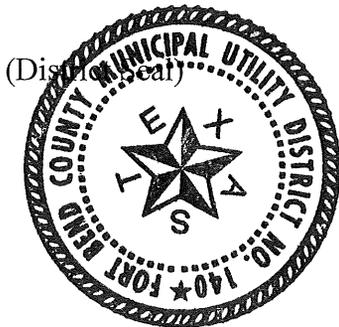
ACTION LIST

The Board then reviewed the action list.

ADJOURNMENT

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

  
Secretary



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## ACTION LIST

### DIRECTORS

Director Murray will contact the Developer to obtain additional baseball field proposals.

### COMMITTEES

#### *Emergency Preparedness Plan (EPP) Committee*

EPP committee will convene to review the various options for emergency flood mitigation contingency plans.

#### *Communications Committee*

Communications Committee will commence review of web design proposals and make a recommendation to the Board.

### ENGINEER

Costello will prepare design plans for repair/reconstruction of the McCaslin and Gonzales sections of the District's flood mitigation berm, and proceed to bidding construction of the project(s) if appropriate. Costello will work with attorney to obtain necessary easements.

Costello will proceed with the design of the proposed berm, and related appurtenances, along the southern boundary of the District.

Costello will submit letter regarding NRCS bank stabilization grant.

Costello will procure a proposal from James King to re-grade an existing Type-A inlet along District's northern boundary.

### RECREATIONAL FACILITY MAINTENANCE

Champions Hydrolawn will obtain and place signage that the Nature Park is closed.

James King will provide a proposal for tree removal along the Nature Park.