

MINUTES OF REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS

December 16, 2015

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 185 §

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 185 (the "District") met in regular session, open to the public, at 12:00 p.m., Wednesday, December 16, 2015, at 9 Greenway Plaza, Suite 1100, Houston, Texas 77046, a designated meeting place outside the boundaries of the District; whereupon, the roll was called of the members of the Board of Directors, to-wit:

Allen Thomas	President
Scott Donahue	Vice President
Wesley Noonan	Secretary
Al Menconi	Assistant Secretary
Terrell W. Berger	Assistant Secretary

All members of the Board of Directors were present, except Directors Donahue and Thomas thus constituting a quorum.

Also present at the meeting were Mark Eyring of Roth & Eyring, PLLC; Lindsay J. Kovar of Brown & Gay Engineers, Inc.; Juanita Orsak with Pulte Homes, a developer of property within the District (the "Developer"); Steve Alvis and Austin Alvis with NewQuest Properties; Layne Yeager with Environmental Allies; Amy Symmank with Myrtle Cruz, Inc., the District's Bookkeeper; Breah Campbell and Bart Downum, with Environmental Development Partners, L.L.C., ("EDP"), Operator for the District; Kristen Scott with Bob Leared Interests ("BLI"), the District's Tax Assessor/Collector ("TAC"); Nick Bailey of Brown & Gay Engineers, Inc., the District's Engineer ("BGE"); John Cannon, Attorney, Greer Kuras, Attorney and Tiffany Marquez, Paralegal with Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats Rose"), the District's legal counsel.

Whereupon, the meeting was called to order. A copy of the notice of the meeting is attached hereto as Exhibit "A".

**COMMENTS FROM THE PUBLIC**

No comments were provided by the public.

## **HEAR LARRY'S TOOLBOX PRESENTATION**

The Board recognized Ms. Kovar who presented and outlined the Larry's Toolbox presentation, a copy of which is attached hereto as Exhibit "B". She noted that if the District chose to enroll in Larry's Toolbox, the deadline is February 1, 2016.

## **APPROVE MINUTES OF MEETINGS OF NOVEMBER 18, 2015**

Proposed minutes of the meeting held on November 18, 2015 previously distributed to the Board, were presented for consideration and approval. Upon a motion duly made by Director Menconi and seconded by Director Noonan, the Board voted unanimously to approve the minutes of the regular meeting of November 18, 2015.

## **CONSIDER APPROVING REIMBURSEMENT AUDIT IN CONNECTION WITH THE UNLIMITED TAX BONDS, SERIES 2015**

The Board recognized Mr. Eyring who presented and outlined the District's reimbursement audit with the developer, a copy of which is attached hereto as Exhibit "C". Upon a motion duly made by Director Menconi, seconded by Director Berger, the Board voted unanimously to approve the reimbursement audit.

## **TAX ASSESSOR/ COLLECTOR REPORT**

The Board recognized Ms. Scott who delivered the tax collection report, a copy of which is attached hereto as Exhibit "D". She noted that the District is 99.484% collected on its 2014 taxes and outlined delinquent tax protocol and delinquent notices. Ms. Scott inquired about whether or not would want to purchase a new aerial photo. After review and upon a motion by Director Menconi, second by Director Berger and the question being put to the Board, the Board voted unanimously to approve the tax collector's report and a new aerial photo.

## **BOOKKEEPER'S REPORT**

The Board recognized Ms. Symmank who reviewed the bookkeeper's report, and payment of the bills listed therein. She noted that the District will need to amend its budget to include the new North Fort Bend Water Authority ("NFBWA") fees. The NFBWA fees will increase from \$2.75 to \$3.10, effective January 1, 2016. Mr. Cannon stated that the interconnect deposit for the Harris Fort Bend County MUD No. 5 be included, as well as the legal and engineering fees.

### **Consider amending District Budget**

This matter was deferred.

After review, upon a motion duly made by Director Noonan, and seconded by Director Berger, the Board voted unanimously to approve the bookkeeper's report. A copy of the bookkeeper's report is attached hereto as Exhibit "E".

## OPERATOR'S REPORT

The Board next recognized Ms. Campbell, who reviewed the operator's report which includes the utility billing summary, accountability report, subsidence district report, North Fort Bend Water Authority ("NFBWA") report and the 30 day delinquent list for November 2015, a copy of which is attached hereto as Exhibit "F". Ms. Campbell reported that there are eighty-three (83) delinquent accounts to consider for disconnect.

### **Substantial System Charges, Repairs and Maintenance:**

- Distribution System- Installed residential taps and meters; 2 locations in the amount of \$1,000.00.

### **North Fort Bend Water Authority ("NFBWA"):**

- Mr. Ammel stated that he has included information regarding NFBWA in his report. He noted that the District joining a water wise plan to conserve water could help the District with the cost of water.

### **Water Plant Auto Dialer Install:**

- The operator is still working with the electrical contractor to get cost estimates for the redundant 16 channel verbatim alarm dialer. The operator will present proposals for the auto dialer at the District's next meeting.

The Board requested Ms. Campbell to include the irrigation data in the operator's report. After discussion, upon a motion, brought by Director Noonan, and seconded by Director Menconi, the Board approved operator's report, and delinquent accounts.

## HEAR ENVIRONMENTAL ALLIES REPORT AND CONSIDER ACTING THEREON

The Board recognized Mr. Yeager who presented and reported on maintenance of the detention pond in the District. Mr. Yeager's report is attached hereto as Exhibit "G". No action was taken.

## ENGINEER'S REPORT

The Board then recognized Mr. Bailey who reviewed the monthly Engineer's Report, a copy of which is attached hereto as Exhibit "H".

### Authorize engineer to proceed with the design of District facilities

- No action

### Approve plans and specifications of District facilities

- No action.

### Authorize engineer to advertise for bids for District projects

- No action.

Approval of report, pay estimates, and change orders for construction projects in progress in the District

- **Pin Oak Enclave – Mass Grading and Spoil Disposal**  
Contractor: Triple B Services, Inc.  
Contract Amount: \$1,679,084.90  
**Action Item:** Pay Estimate No. 11 and Final in the amount of \$53,971.24
  
- **Lift Station to Serve 21 acre Tract (Lift Station No. 3)**  
Contractor: B-5 Construction Company, Inc.  
Contract Amount: \$339,103.00  
Construction is substantially complete. No pay estimate this month.
  
- **Water Plant No. 1 Phase III Expansion**  
Contractor: Tidal Construction, Inc.  
Contract Amount: \$681,040.00.  
**Action Item:** Pay Estimate No. 8 and Final in the amount of \$67,085.50
  
- **Pin Oak Enclave – Water, Sewer, and Drainage**  
Contractor: Triple B Services, Inc.  
Contract Amount: \$1,112,964.00  
Construction is substantially complete. No pay estimate this month.
  
- **Pin Oak Enclave – Lift Station**  
Contractor: Peltier Brothers Construction, Ltd.  
Contract Amount: \$378,999.00  
Construction is substantially complete. No pay estimate this month.
  
- **FBMUD 185 WWTP Expansion to 350,000 GPD – Site Work**  
Contractor: Liftwater Construction, Inc.  
Contract Amount: \$548,900.00  
**Action Item:** Tolunay-Wong Engineers invoice in the amount of \$1,301.25
  
- **Gaston/Falcon Landing Retail – Water, Sanitary Sewer and Storm Sewer**  
Contractor: Principal Services, Ltd.  
Contract Amount \$783,996.60  
Construction has not yet begun.
  
- **Gaston/Falcon Landing Retail – Water, Sanitary Sewer and Storm Sewer**  
Contractor: 5758 Construction, LP  
Contract Amount \$1,636,999.00  
Construction has not yet begun.

Authorize construction contracts and related items

- **Recoat Interior of 15,000-Gallon Hydropneumatic Tank**

B&G solicited three bids for recoating the interior of the \$15,000-gallon hydro tank at the water plant. B&G asked the contractors to submit two separate bid items- one for a complete rehabilitation of the interior, and the other for only “touch up” rehabilitation including spot blasting and spot coating. F&L Coating submitted the lowest bid, and B&G recommended going with their item for complete rehabilitation of the tank interior for a total cost of \$9,387.00. Attached is a bid tab for all three bids, along with F&L Coating’s bid proposal.

**Action Item:** Requested approval of F&L Coating’s proposal in the amount of \$9,387 for complete rehabilitation of the hydro tank interior.

Discuss basin erosion repairs and consider acting thereon

Work on the project is complete

Mr. Bailey added that the District needs to file the Municipal Separate Storm Sewer System (“MS4”) permit. He presented an outlined material relating to the MS4 permit, a copy of which is attached hereto as Exhibit “I”. He recommended acquiring proposals for the MS4 permit process and noted that Environmental Allies files MS4 permits. Mr. Yeager stated that he will bring a proposal at the District’s next meeting.

After review, upon a motion brought by Director Menconi, seconded by Director Noonan, the Board approved (i) the Engineer’s report; and (ii) all the action items therein, including the F&L Coating proposal in the amount of \$9,387 for complete rehabilitation of the hydro tank interior.

**DEVELOPER’S REPORT**

The Board recognized Ms. Orsak who updated the Board on Pulte’s development projects and noted that they are currently working on amenities.

Consider request from NewQuest to enter into Economic Development Agreement

The Board recognized Steve Alvis who reviewed the reasons his company wants to enter into the proposed Economic Development Agreement with the District. Mr. Cannon stated that the Board was concerned about the potential for multi-family homes that may be constructed in the future. Mr. Alvis stated that he understands the Board’s concern and does not intend to pursue multi-family homes in that area, however, it is a last resort option.

Mr. Cannon added that the Board would like to change the economic development grant amount to \$667,000. Upon a motion brought by Director Noonan, seconded by Director Menconi, the Board unanimously approved the Economic Development Agreement and changed the economic development grant amount to \$667,000.

**ATTORNEY’S REPORT**

Discuss proposed agreement with homeowner’s association (“HOA”) and requests from homeowners association regarding maintenance and consider acting thereon

No action was taken on this matter.

Consider approving District insurance renewal expiring January 23, 2016

Ms. Marquez presented and outlined the premium price comparison sheet for the District’s insurance, a copy of which is attached hereto as Exhibit “J”. She stated that she contacted the insurance company to negotiate the limited and deductible amounts as it relates to Travelers, as an underwriter, however, Travelers was not willing to change the amounts for property. After review, upon a motion brought by Director Noonan, seconded by Director Berger, the Board unanimously voted to have Hanover as the District’s underwriter for property.

Consider approving Letter of Credit Agreement amendment to Depository Pledge Agreement

Mr. Cannon presented and outlined a Letter of Credit Agreement (“LOC”) amendment to the District’s current Depository Pledge Agreement with Compass Bank. A copy of the LOC is attached hereto as Exhibit “K”. After consideration, upon a motion brought by Director Menconi, seconded by Director Noonan, the Board unanimously voted to approve said LOC.


Consider approval of interconnect agreement with Harris Fort Bend County Municipal Utility District No. 5

This matter was deferred.

There being no other business to come before the Board, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 20<sup>th</sup> day of January, 2016.



  
Secretary, Board of Directors