

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

January 20, 2016

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, January 20, 2016, 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, thus constituting a quorum.

Also present at the meeting were David Beyer with StormWater Solutions; Jan Bartholomew of Robert W. Baird & Co, Financial Advisor for the District; Juanita Orsak with Pulte Homes, a developer of property within the District (the "Developer"); Layne Yeager with Environmental Allies; Amy Symmank with Myrtle Cruz, Inc., the District's Bookkeeper; Breah Campbell, Tracy Butcher and Eric Thiry, 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.

APPROVE MINUTES OF MEETINGS OF DECEMBER 16, 2015

Proposed minutes of the meeting held on December 16, 2015 previously distributed to the Board, were presented for consideration and approval. Upon a motion duly made by Director Menconi and seconded by Director Berger, the Board voted unanimously to approve the minutes of the regular meeting of December 16, 2015.

TAX ASSESSOR/ COLLECTOR REPORT

The Board recognized Ms. Scott who delivered the tax collection report, a copy of which is attached hereto as Exhibit "B". She noted that the District is 56.351% collected on its 2015 taxes. Ms. Scott reminded the Board about the Hernandez account and the tax payment agreement for said resident's delinquent taxes. She stated that Ms. Hernandez is late with her last payment. The Board instructed Ms. Scott to contact Ms. Hernandez regarding the late payment. Ms. Scott also reported that NewQuest owes taxes for the years 2011-2014; however those are for roll-back taxes recently assessed and not yet delinquent.

After review and upon a motion by Director Noonan, second by Director Thomas and the question being put to the Board, the Board voted unanimously to approve the tax collector's report.

BOOKKEEPER'S REPORT

The Board recognized Ms. Symmank who reviewed the bookkeeper's report, and payment of the bills listed therein.

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 "C".

OPERATOR'S REPORT

The Board recognized Mr. Thiry who reported on the District's recent water outage. The Board expressed concern about the timing of the operator's repairs and strongly recommended the Operator time repairs during hours of low water usage. Director Noonan requested that the operator's regular testing results for the District's water plant be included in the monthly report. Director Noonan also stated that the hours for the operator's answering service do not cover early morning hours where water usage is high and asked that the operator begin answering calls earlier.

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 December 2015, a copy of which is attached hereto as Exhibit "D". Ms. Campbell reported that there are fifty-seven (57) delinquent accounts to consider for disconnect.

Substantial System Charges, Repairs and Maintenance:

- Distribution - Installed residential taps and meters; 1 location in the amount of \$450.00.
- Distribution – Fire Hydrant repairs, in the amount of \$4,918.05
- Distribution – Fire Hydrant painting in the amount of \$3,207.25

Water Plant Auto Dialer Install:

- I am requesting authorization to have a 16 channel verbatim alarm dialer installed at the water plant for a quoted cost of 46,620.00. This would be a redundant alarm system.
 - The Board requested the proposal for the auto dialer be sent to the directors for review and for the operator to research SCADA systems as a potential option. No action was taken on this matter.

Low Water Pressure – Air in Lines:

- On January 6th some of the District's customers experienced water quality and pressure issues. This was caused by a control failure at the water plant that allowed air to escape the pressure tank and enter the distribution system when EDP placed the new hydropneumatic tank into service.
 - EDP responded to take the new tank out of service and flush the air out of the distribution system.
 - The tank installation contractor was called out to troubleshoot and repair the controls.
 - EDP had NTS install an over run timer and alarm system on the air compressor to help prevent this from occurring in the future.

After discussion, upon a motion, brought by Director Noonan, and seconded by Director Donahue, 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 "E". 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 "F".

Review MS4 permit proposal from Storm Water Solutions (“SWS”) and consider acting thereon

- The Board recognized Mr. Beyer with SWS who presented and outlined a contract for SWS to prepare MS4 permit for the District, a copy of said contract is attached hereto as Exhibit “G”.

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

- **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.
- **Pin Oak Enclave – Water, Sewer, and Drainage**
Contractor: Triple B Services, Inc.
Contract Amount: \$1,112,964.00
Action Item: Pay Estimate No. 8 and Final in the amount of \$94,756.91
- **Pin Oak Enclave – Lift Station**
Contractor: Peltier Brothers Construction, Ltd.
Contract Amount: \$378,999.00
Pay Estimate No. 7 in the amount of \$4,320, Pay Estimate No. 8 and Final in the amount of \$36,175.66
- **FBMUD 185 WWTP Expansion to 350,000 GPD – Site Work**
Contractor: Liftwater Construction, Inc.
Contract Amount: \$548,900.00
Action Item: Pay Estimate No. 5 and Final in the amount of \$23,834.95
- **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 – Detention**
Contractor: 5758 Construction, LP
Contract Amount \$1,636,999.00
Action Item: Pay Estimate No. 1 in the amount of 467,635, and Pay Estimate No. 2 in the amount of \$55,800.
- **Recoat Interior of 15,000 – Gallon Hydropneumatic Tank**
Contractor: F&L Coating
Proposal Amount: \$9,387.00
Contractor has begun the work, but no invoice has been received yet.

Authorize construction contracts and related items

No action.

Discuss basin erosion repairs and consider acting thereon

Work on the project is complete.

Authorize engineer to work on bond application and request to TCQ for release of surplus funds

Action Item: Authorize engineer to proceed with items as noted.

- The Board recognized Ms. Bartholomew who presented and outlined a capacity analysis for the proposed \$5,005,000 bond issue, Series 2016, a copy of which is attached hereto as Exhibit “H”.

After review, upon a motion brought by Director Noonan, seconded by Director Donahue, the Board approved (i) the Engineer’s report; (ii) all the action items therein, including approving the SWS contract to prepare the MS4 permit; and (iii) authorize the engineer to proceed with a bond application report and surplus funds request.

DEVELOPER’S REPORT

The Board recognized Ms. Orsak who updated the Board on Pulte’s development projects.

ATTORNEY’S REPORT

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

Director Noonan reported that the King Lakes HOA has a new management company, Graham Property Management.

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

This matter was deferred.

Discuss Larry's Toolbox Enrollment and consider acting thereon

The Board recognized Ms. Kuras who reported that the King Lakes HOA was one of the entities chosen for funding provided by the NFBWA to participate in two (2) initiatives (i) the irrigation system evaluation; and (ii) the irrigation water budget. The Board also decided to participate in the high water user notification as its third initiative. Ms. Kuras requested the Board consider authorization for the District to enroll in NFBWA's Larry's Toolbox program. Upon a motion brought by Director Donahue, seconded by Director Menconi, the Board unanimously approve enrollment in Larry's Toolbox

Review Water Logic proposal and consider acting thereon

Ms. Kuras presented and outlined the Water Logic proposal, a copy of which is attached hereto as Exhibit "I". Director Noonan stated that he will acquire additional water conservation quotes. No action was taken.

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

PASSED, APPROVED AND ADOPTED this 17th day of February, 2016.

(DISTRICT SEAL)




Secretary, Board of Directors