

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

April 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, April 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, except Director Donahue thus constituting a quorum.

Also present at the meeting were Adam Cohen of Robert W. Baird & Co, Financial Advisor for the District; Richard Martin and Mark Janek with Environmental Allies; Amy Symmank with Myrtle Cruz, Inc., the District's Bookkeeper; Breah Campbell 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 and Tiffany Marquez, Paralegal with Coats|Rose, 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 MARCH 16, 2016

Proposed minutes of the meeting held on March 16, 2016 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 March 16, 2016.

CONSIDER ENGAGING AUDITOR FOR REIMBURSEMENT AUDIT IN CONNECTION WITH PROPOSED 2016 BOND ANTICIPATION NOTE

Mr. Cannon presented an engagement letter on behalf of Roth & Eyring, P.C. to perform a reimbursement report in connection with the District's bond anticipation note ("BAN") for an estimated fee of \$3,450. He requested the Board's approval and execution. A copy of said engagement letter is attached hereto as Exhibit "B". After consideration, upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to approve the Roth & Eyring, P.C. to perform the reimbursement report in connection with the District BAN.

TAX ASSESSOR/ COLLECTOR REPORT

The Board recognized Ms. Scott who delivered the tax collection report, a copy of which is attached hereto as Exhibit "C". She noted that the District is 98.712% collected on its 2015 taxes. Director Noonan noted that the director lots should be deeded back to the developer, Centex Homes.

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. She noted check number 3014 related to Storm Water Solutions' initial set up fee. Ms. Symmank also drew attention to the checks returning excess funds advance by the developers for their share of the water plant and wastewater treatment plant expansion projects. After review, upon a motion duly made by Director Menconi, and seconded by Director Thomas, the Board voted unanimously approved the bookkeeper's report. A copy of the bookkeeper's report is attached hereto as Exhibit "D".

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 March 2016, a copy of which is attached hereto as Exhibit "E". Ms. Campbell reported that there are thirty-seven (37) delinquent accounts to consider for disconnect.

Substantial System Charges, Repairs and Maintenance:

- Distribution - Installed residential taps and meters; 3 locations in the amount of \$1,450.00.

Water Plant Auto Dialer Install:

- At the District's February meeting EDP was authorized to have an 8 channel verbatim alarm dialer installed at the water plant for a quoted cost of \$14,145.00 and this has been completed.

District Signage:

- EDP was requested at the February meeting to have Constable, Precinct 3 signage made and installed. This is in process.

Cinco MUD- interconnect pay back:

- EDP has coordinated with the Cinco MUD 1 operator to start paying back the water from the period of usage from July 13th to August 20th in the amount of 9,782,000 gallons. The interconnect was opened March 14, 2016 at 10:30 a.m. to begin the pay back process.

Lead and Copper Sampling Program (summer 2016)

- The TCEQ is requiring double the amount of sample sites than are required as part of their modification of the program. EDP will send all the new addresses to the TCEQ and get them approved before sampling can begin. Ten (10) new sample site are needed and a water bill message asking for volunteers will be added in the next billing cycle.

Consider ratification of approval for Red Flags Policy

Mr. Cannon stated that last month the District approved the Red Flags Policy, however, this item was not on the agenda and requested the Board's ratification of last month's approval.

Consider ratification of approval for Water Conservation Plan

Mr. Cannon stated that last month the District approved the Water Conservation Plan, however, this item was not on the agenda and requested the Board's ratification of last month's approval.

Director Noonan inquired about lift station no. 3 and its dialer referenced in the report. Ms. Campbell stated that she will investigate the matter and report back to the Board.

After discussion, upon a motion, brought by Director Noonan, and seconded by Director Berger, the Board approved (i) the operator's report, (ii) termination of delinquent accounts; (ii) ratification of the Red Flags Policy and Water Conservation Plan.

HEAR ENVIRONMENTAL ALLIES REPORT AND CONSIDER ACTING THEREON

The Board recognized Mr. Martin who presented and reported on maintenance of the detention pond in the District. Mr. Martin's report is attached hereto as Exhibit "F". He noted that the detention pond was mowed and on April 14th, however, he anticipates abnormal growth to the grass due to heavy rain. Mr. Martin stated that it looked as though erosion may be appearing after the flood. He added that he wanted to see if the over-seed that was completed in early April may resolve any potential erosion. 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 "G".

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

- No action

Authorize engineer to proceed with the design of District facilities

- Emergency Water interconnect with Harris-Fort Bend County MUD No. 5

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.
- **Gaston/Falcon Landing Retail – Water, Sanitary and Storm Sewer**
Contractor: Principal Services, Ltd.
Contract Amount: \$783,996.60
Action Item: Pay Estimate No. 1 in the amount of \$521,474.95, and Pay Estimate No. 3 in the amount of \$2,542.69.

- **Gaston/Falcon Landing Retail – Detention**
Contractor: 5758 Construction, LP
Contract Amount \$1,636,999.00
Action Item: Pay Estimate No. 5 in the amount of \$135,651.60.
- **Recoat Interior of 15,000 – Gallon Hydropneumatic Tank**
Contractor: F&L Coating
Proposal Amount: \$9,387.00
Action Item: Pay Estimate No. 1 & Final in the amount of \$9,387.00.

Authorize construction contracts and related items

- No action.

After review, upon a motion brought by Director Noonan, seconded by Director Menconi, the Board approved the Engineer’s report and all action items included therein.

DEVELOPER’S REPORT

No report was given.

HEAR FINANCIAL ADVISOR’S REPORT AND CONSIDER POSSIBLE ACTION TO SELL BAN SERIES 2016

The Board discussed the sale of the BAN in the amount of \$3,037,000.00. The Board recognized Mr. Cannon, who explained that the BAN will be issued to reimburse the developers for costs advanced on behalf of the District and to pay certain costs of issuing the BAN. Mr. Cannon noted that the BAN is required to be paid off within one year of the application from the date of issuance and will be retired with the proceeds of the District's next bond issue, which has been submitted to the Texas Commission on Environmental Quality for approval.

The Board recognized Mr. Cohen, who presented a Bid Tabulation, attached hereto as Exhibit “H” and stated that Trustmark Bank (“Trustmark”) has agreed to purchase the BAN at a rate of 1.0200% with interest accruing from the date of funding. He noted Trustmark was the lowest rate offered by the four bidders who made offer.

Mr. Cannon next presented the documents that the Board must approve in order to sell the BAN, including (i) the Bond Anticipation Note Commitment Letter from Trustmark; (ii) the Resolution Authorizing Fort Bend County Utility District Bond Anticipation Note, Series 2016; (iii) the General Certificate; (iv) the Signature Identification and No-Litigation Certificate; (v) the Certificate as to Tax-Exemption; and (vi) the IRS Form 8038-G.

Upon a motion made by Director Menconi, seconded by Director Noonan and after further discussion, the Board voted unanimously to approve the Bond Anticipation Note Commitment Letter from Trustmark, the Resolution Authorizing Fort Bend County Municipal Utility District Bond Anticipation Note, Series 2016, the General Certificate, the Signature

Identification and No-Litigation Certificate, the Certificate as to Tax-Exemption, the IRS Form 8038-G, and all other actions necessary to complete the sale of the BAN.

ATTORNEY'S REPORT

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

Mr. Cannon reported that he has received the interconnect agreement with Harris-Fort Bend County MUD No. 5 and he has reviewed said agreement and requested the Board's approval. Upon a motion brought by Director Thomas, seconded by Director Noonan, the Board unanimously voted to approved the interconnect agreement with Harris-Fort Bend County Municipal Utility District No. 5.

Discuss street lighting on Falcon Landing Boulevard

The Engineer stated that he is working on this matter and coordinated with CenterPoint.

Consider approving Larry's Toolbox Agreement

Mr. Cannon reported that the North Fort Bend Water Authority ("NFBWA") is holding a meeting on May 28th to discuss the District's agreement with Larry's Toolbox and Water Logic. He recommended the Board take no action on this matter until after the NFBWA holds the meeting.

Mr. Cannon drew the Board's attention to the District's constable report attached hereto as Exhibit "I".

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

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PASSED, APPROVED AND ADOPTED this 18th day of May, 2016.



Terrill W. Beays
Secretary, Board of Directors