

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

July 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, July 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 Constable-Elect Wayne Thompson, Deputy Swank Backhus of the Fort Bend County Precinct 3; Felix DeLeon WCA Waste Corporation; Richard Martin with Environmental Allies ("Environmental"); Juanita Orsak with Pulte Homes, a developer of property within the District (the "Developer"); Karrie Kay 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, 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".

HEAR REPORT FROM PRECINCT 3 CONSTABLE – ELECT THOMPSON

The Board recognized Constable- Elect Thompson who stated that he was open to any questions to the Board may have regarding his plans in 2017. The Board was interested in Constable-Elect Thompson's plans related to constable contracts, their terms, the deputies

capabilities and tasks under said contracts. Constable-Elect Thompson stated that he intends on keeping the contracts and expanding the deputies' duties, including encouraging the Constable's office and Sherriff's office to work together. Director Noonan inquired on whether Constable-Elect Thompson intends on maintaining the current deputies. Constable-Elect Thompson stated that he intends on maintaining most of the deputies, however he does have to re-evaluate the deputies to be sure everyone is updated on protocol and certifications.

COMMENTS FROM THE PUBLIC

The Board recognized Mr. DeLeon who stated that he is now the District's representative for WCA. No action was taken.

APPROVE MINUTES OF MEETINGS OF JUNE 15, 2016

Proposed minutes of the meeting held on June 15, 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 June 15, 2016.

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 99.442% collected on its 2015 taxes. After review and upon a motion by Director Menconi, second by Director Donahue 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. Kay who reviewed the bookkeeper's report, and payment of the bills listed therein. She noted that the budget for the garbage was off due to WCA's billing issues, however she will look into the matter and confirm. Ms. Kay noted the District's proposed budget for fiscal year ending July 31, 2017 for the Board's review and approval.

After review, upon a motion duly made by Director Noonan, and seconded by Director Thomas, the Board voted unanimously approved the bookkeeper's report and propose budget for fiscal year ending July 31, 2017. A copy of the bookkeeper's report is attached hereto as Exhibit "C".

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 June 2016, a copy of which is attached hereto as Exhibit "D". Ms. Campbell reported that there are twenty-four (24) delinquent accounts to consider for disconnect.

Substantial System Repairs and Maintenance:

- Two (2) installations of residential taps and meters in the amount of \$900.00
- Installation of a tap the for Marshall Oaks Recreation Center meter, in the amount of \$5,200.
- Installation of a “time delay” for air compressor at the water plant, in the amount of \$1,158.43.
- Installation of a new transducer to the wet well at the onsite LS located at the wastewater treatment plant, in the amount of \$1,332.25.

2015 Consumer Confidence Report (“CCR”)

- Ms. Campbell stated that the annual CCR approved at the May meeting was filed with the TCEQ for the 2015. The CCRs were mailed to customers on June 2nd.

Fire Hydrant Repairs

- The Board authorized the operator at the May meeting to repair fire hydrants, as needed throughout the District. The repairs have been completed.

Water Plant Access Road

- Ms. Campbell requested authorization to repair the access road and grade the property between the water plant site and Falcon Landing for a cost of \$38,320.00.
 - The Board discussed the matter and it was noted that before a decision was made, NewQuest should be contacted regarding their potential plans for this parcel of land. No action was taken on this matter.

Write-off List

- Ms. Campbell included a current write-off list for the Board’s consideration and approval.

Ms. Campbell stated that the District has been delivering water to Cinco MUD No. 1 to pay that district back for water used by the District per the interconnect agreement between the two districts. She will confirm whether or not the District has paid Cinco MUD No. 1 back completely. Ms. Campbell then reported that WCA has implemented a consumer price index increase in the amount of \$0.35 per their contract. She will investigate the District’s previous increases and provide a recommendation to the Board at its next meeting regarding increasing District rate to reflect the WCA increase.

Director Noonan inquired about the lift station 3 dialer repair and Ms. Campbell stated that she believed the dialer was repaired but she will confirm and report back to the Board. Director Noonan inquired about which entity maintains the driveway and grass area leading to the wastewater treatment plant (“WWTP”), the homeowner’s association (“HOA”) or the District. Ms. Orsak stated that when Pulte created the HOA they designated the HOA to maintain that area. Director Noonan stated that he would coordinate with the HOA and Ms. Campbell to investigate which entity would be most economical to maintain this area as it relates to mowing schedules and pricing.

Next, Ms. Campbell stated that she was contacted by Obra D. Tompkins High School PTSA (“PTSA”) requested the Board to consider donating money to provide a shade cover over the outdoor commons area. She noted that the PTSA hopes to receive a total of donations in the amount of \$26,000. The Board inquired if the PTSA is within any other district’s boundaries, Ms. Campbell stated that she did not believe they were, however she will look into it. The Board requested Ms. Campbell also look into finding out if the PTSA has reached their goal in donations. A copy of said request is attached hereto as Exhibit “E”. This matter was deferred.

After discussion, upon a motion, brought by Director Noonan, and seconded by Director Donahue, the Board approved (i) the operator’s report; (ii) termination of delinquent accounts; and (iii) the write-off list.

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, a copy of his report is attached hereto as Exhibit “F”. He stated that he is currently fixing the bolts for the trash rack referenced on page 7 of his report. Mr. Martin drew the Board’s attention to page 13 of his report, and stated that an easement was cleared by the Westlake Estates HOA. Mr. Cannon stated that he has communicated with the president of the HOA for Westlake Estates regarding splitting the costs of maintaining said easement before the trees were cleared and was informed that the Westlake Estates HOA will continue to maintain the area. The Board expressed concern that the clearing would not be sufficient to protect District facilities and asked Mr. Martin to provide a quote for further repair to this easement.

Next, Mr. Martin reported that there were large sinkholes in need of repair referenced on pages 14 and 15 of his report. He stated that he will also bring proposals for said repairs. Director Noonan requested quotes for maintenance of areas along Gaston Road.

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

- 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

- **Gaston/Falcon Landing Retail – Water, Sanitary and Storm Sewer**
Contractor: Principal Services, Ltd.
Contract Amount: \$783,996.60
- **Gaston/Falcon Landing Retail – Detention**
Contractor: 5758 Construction, LP
Contract Amount \$1,636,999.00
Action Item: Pay Estimate No. 8 in the amount of \$53,899.20.

Authorize construction contracts and related items

- No action.

Mr. Bailey reported that the placement of the street lights on Falcon Landing Boulevard may conflict with a water line along the same pathway, and that during construction there is a risk that the waterline may be damaged. The Board discussed options for placement of the lights and requested the engineer inquire about costs associated with extending the arms of the light poles.

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

DEVELOPER'S REPORT

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

Discuss encroachment of pool facilities into Marshall Oaks Detention pond

Mr. Bailey reported that the Marshall Oaks Recreation Center improvements encroach on the District's property as shown on the drawing of the recreation center relating to encroachment was presented as Exhibit "H". Mr. Cannon answered the Board's questions regarding liability coverage and any potential conflicts. He suggested the Board consent to the encroachment in a formal document which shifts the burden of the encroachment onto the HOA, subject to Fort Bend County's approval. After consideration, upon a motion brought by Director Menconi,

seconded by Director Noonan, the Board unanimously voted to consent to encroachment, subject to Fort Bend County's approval.

ATTORNEY'S REPORT

Discuss sharing cost of cleaning out ditch with Woodlake Estates HOA

This matter was discussed under Environmental Allies' report.

Consider request from King Lakes HOA for shade structure

This matter was deferred.

Discuss acceptance of deed from Pulte (Falcon Landing)

Mr. Cannon reported that Pulte would like to deed Reserve A, Block 1 located on Falcon Landing Boulevard and Gaston Road to the District. Upon a motion brought by Director Noonan, seconded by Director Menconi, the Board unanimously voted to accept the deed of said Reserve to the District.

Discuss approving Order Adopting Code of Ethics

Mr. Cannon presented and outlined a copy of the District's Order Adopting Code of Ethics. He stated that Water Code Chapter 49.199 requires the District to adopt a Code of Ethics. Mr. Cannon requested the Board's approval after review. The Board deferred action on this matter.

Mr. Cannon drew the Board's attention to the District's constable report attached hereto as Exhibit "I" and the WCA call log attached as Exhibit "J".

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

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

(DISTRICT SEAL)




Secretary, Board of Directors