

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

August 17, 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, August 17, 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 Adam Cohen of Robert W. Baird & Co, Financial Advisor for the District; Richard Martin with Environmental Allies ("Environmental"); Juanita Orsak with Pulte Homes, a developer of property within the District (the "Developer"); Amy Symmank with Myrtle Cruz, Inc., the District's Bookkeeper; Tracy Butcher and Bart Downum with Environmental Development Partners, L.L.C., ("EDP"), Operator for the District; Kristen Scott, and Odett McMullen 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 given by the public.

APPROVE MINUTES OF MEETINGS OF JULY 20, 2016

Proposed minutes of the meeting held on July 20, 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 July 20, 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 99.445% collected on its 2015 taxes. After review and upon a motion by Director Noonan, second by Director Berger and the question being put to the Board, the Board voted unanimously to approve the tax collector's report.

HEAR FINANCIAL ADVISOR'S REPORT AND DISCUSS TAX LEVY FOR 2016, SET PUBLIC HEARING AND PUBLISH NOTICE

The Board recognized Mr. Cohen who recommended the Board levy a tax rate of \$1.03 for 2016; consisting of \$0.75 for debt service and \$0.28 for maintenance and operations. Following discussion and based on a motion duly made by Director Noonan, seconded by Director Menconi the Board voted unanimously to approve the Financial Advisor's recommendation; publish a Notice of Intent to levy a tax in the amount of \$1.03, and set a hearing on the tax rate for Wednesday, September 21, 2016. It was noted that the District's tax assessor/collector will handle publication of the notice at least seven (7) days in advance of the hearing date. A copy of Mr. Cohen's tax analysis and recommendation is attached hereto as Exhibit "C".

BOOKKEEPER'S REPORT

The Board recognized Ms. Symmank who reviewed the bookkeeper's report, and payment of the bills listed therein. After review, upon a motion duly made by Director Noonan, 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 Mr. Butcher, 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 July 2016, a copy of which is attached hereto as Exhibit "E". Mr. Butcher reported that there are twenty-six (26) delinquent accounts to consider for disconnect.

Substantial System Repairs and Maintenance:

- Four (4) installations of residential taps and meters in the amount of \$1,800.00

New Electronic Payment Options:

- The District currently offers Payment Options to its customers through an agreement with Compass Bank. EDP would like to change to First Billing Services for the payment options. See page 2 of the operator's report which compares the District's current options to the proposed new options with First Billing.

The Board requested the operator generate a letter to the customers who have automatic billing. The Board also requested the operator investigate other options with no charge fee when customers pay their bills on line

Tompkins High School PTSA Request

- EDP spoke with Laura Lone on July 27th and confirmed Cinco MUD No. 3 has donated \$13,000 for the shade structure. This is all that has been received toward their request.

Water Plant Access Road

- At the July meeting repairs were discussed regarding the access road and grading the property between the water plant site and Falcon Landing for a cost of \$38,320.00. This is on hold pending discussion with NewQuest.

NewQuest has been contacted and have stated that they are interested in developing that property and acknowledged the need to install a sidewalk at the location as well. Next, Mr. Cannon added that Larry's Toolbox program and WaterLogic will be installing new irrigation "smart" water meters on August 29th.

Mr. Cannon presented a historical comparison of garbage fees and sanitary sewer fees for the Board's review, a copy of which is attached hereto as Exhibit "F". The operator explained that the District's current sanitary sewer rate includes trash fees in the total amount of \$32.50 and has not been changed since 2013. The operator recommended the Board increase the total sewer rate fee by \$0.54 due to a recent trash consumer price index increase. The Board deferred action on this matter.

After discussion, upon a motion, brought by Director Noonan, and seconded by Director Menconi, the Board approved (i) the operator's report; and (ii) termination of delinquent accounts.

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 "G". Next, Mr. Martin presented proposals for maintenance for areas along Gaston Road, which include fine mowing and tractor mowing. Copies of which are attached in Exhibit "H".

Mr. Martin presented his proposal to maintain the easement that was cleared by the Westlake Estates HOA, a copy of which is attached hereto as Exhibit "I". Mr. Cannon stated that

he would contact the Westlake Estates HOA but noted that from previous discussions the HOA would want to share the cost for clearing and maintaining said easement.

The Board reminded Mr. Martin that inspection of District facilities should be done on a regular basis. After consideration, upon a motion brought by Director Menconi, seconded by Director Noonan, the Board approved the fine mowing proposal for maintenance on Gaston Road and authorized Mr. Cannon to proceed to contact Westlake Estates HOA and draft a cost sharing agreement between the District and the HOA.

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 "J".

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. 9 in the amount of \$234,355.50.

Authorize construction contracts and related items

- No action.

Mr. Bailey reported that he has coordinated with CenterPoint regarding the installation of street lights along Falcon Landing Boulevard and recommended the Board install the street lights on the median of Falcon Landing Boulevard because even if they incorporate extended arms for the lights, the lights standards may still interfere with the water lines. The Board requested Mr. Bailey inquire about the LED lighting.

After review, upon a motion brought by Director Noonan, seconded by Director Donahue, the Board approved (i) installation of the lights on Falcon Landing in the median; and (ii) 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. She requested that Environmental Allies maintain the side slopes of the detention pond at Pin Oak Enclave and the Board maintain the side slopes. Mr. Cannon recommended the Engineer and Environmental Allies inspect the slopes and asked Environmental Allies to bring a proposal for maintenance at the next meeting.

ATTORNEY'S REPORT

Consider request from King Lakes HOA for shade structure

Mr. Cannon presented and reviewed proposals for a playground shade structure provided by the King Lakes HOA, a copy of which is attached hereto as Exhibit "K". The matter was deferred.

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. After review, upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to adopt the Order Adopting Code of Ethics.

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

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

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PASSED, APPROVED AND ADOPTED this 21st day of September, 2016.


Secretary, Board of Directors

(DISTRICT SEAL)

