

MINUTES OF REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS

September 21, 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, September 21, 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 Thomas thus constituting a quorum.

Also present at the meeting were Laura Lowe a member of the public; Stephen Eustis 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; 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"); 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**

The Board recognized Ms. Lowe who outlined Thompkins High School's need for a shade cover. She stated that the donation goal is \$26,000 and is approximately half way to reaching said goal. The Board asked Ms. Lowe questions related to the number of entities she

has requested donations from and her general outlook on reaching said goal. The Board noted that a baseball field shade structure was recently constructed at the school and requested which entities contributed to the baseball field shade structure. Ms. Lowe stated that she will provide a list of the municipal utility districts she is requesting donations from and report on who provided funds for the baseball field shade structure at the school. No action was taken.

### **CONDUCT PUBLIC HEARING REGARDING 2016 TAX RATE AND APPROVE ORDER SETTING TAX RATE FOR 2016**

At this time the meeting opened to a public hearing on the proposed 2016 tax rate for the District. Mr. Cannon reminded the Board that at the District's meeting on August 17, 2016, the Board discussed the District's tax rate for 2016. At such meeting the Board established its Intent to levy a tax in the amount of \$1.03 consisting of \$0.75 for debt service and \$0.28 for maintenance and operations per \$100 valuation. Ms. Scott noted that she published Notice of the Public Hearing on the Tax Rate. The Board, noting that there were no members of the public present who wished to comment on the 2016 tax rate, closed the public hearing and resumed the regular meeting.

Consideration was then given to the adoption of an Order Setting Tax Rate for 2016. Upon a motion made by Director Noonan, seconded by Director Berger, after full discussion and the question being put to the Board, the Board voted unanimously to set and levy a 2016 tax rate of \$1.03 consisting of \$0.75 for debt service and \$0.28 for maintenance and operations and to adopt the Order Setting Tax Rate evidencing the same.

### **APPROVE AMENDED NOTICE TO SELLERS AND PURCHASERS**

The Board next considered filing an amended Notice to Sellers and Purchasers of Property in the District ("Notice") to reflect the 2016 tax rate of \$1.03 per \$100 of valuation. Following discussion regarding the Notice, and based on a motion by Director Noonan, which was seconded by Director Berger, the Board voted unanimously to approve the Amended Notice, and authorize Coats|Rose to have the Notice (i) recorded in the Fort Bend County property records, and (ii) filed with the Texas Commission on Environmental Quality ("TCEQ").

### **APPROVE MINUTES OF MEETINGS OF AUGUST 17, 2016**

Proposed minutes of the meeting held on August 17, 2016 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 August 17, 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 99.616% collected on its 2016 taxes. Ms. Scott directed the Board's attention to the delinquent tax roll and stated that the Hernandez account is currently under a payment agreement for tax year 2015. The remaining

two (2) accounts on the delinquent tax roll have been notified of delinquent taxes and said residents have not contacted her office. She recommended water terminations once confirmation that said properties are not rental properties.

Ms. Scott reported that an estimate of value of the District was requested and submitted to the Fort Bend County Appraisal District. After review and upon a motion by Director Noonan, second by Director Donahue and the question being put to the Board, the Board voted unanimously to (i) approve the tax collector's report; and (ii) authorized the operator to terminate water for delinquent accounts that are not currently on a payment plan and not renters.

### **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 Menconi, and seconded by Director Noonan, the Board voted unanimously approved the bookkeeper's report. 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 August 2016, a copy of which is attached hereto as Exhibit "D". Ms. Campbell reported that there are nineteen (19) delinquent accounts to consider for disconnect.

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

- Eleven (11) installations of taps and meters were distributed in the amount of \$5,050.00.
- An air compressor overrun timer was installed at the water plant in the amount of \$1,175.93.
- Transducer was replaced at the waste water treatment plant in the amount of \$1,400.38.
- Miscellaneous installations were requested throughout the District in the amount of \$2,576.00

#### **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.

Ms. Campbell noted that currently the District has approximately 6 to 8 auto-payers. She added that the new billing system will be more convenient due to "real time" payments. Ms. Campbell stated that if the Board approved the First Billing contract, it should be live in October.

### **Tompkins High School PTSA Request**

- A representative with PTSA plans on attending the meeting to make a request to the Board regarding a donation letter submitted on June 20<sup>th</sup>.

### **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.

### Consider amending District rate order

Mr. Cannon reminded the Board of the discussion to amend the rate order to increase the sewer fee to increase the sewer fee by \$0.54 due to recent trash collection consumer price index increases, and requested the Board's approval.

After discussion, upon a motion, brought by Director Menconi, and seconded by Director Noonan, the Board (i) authorized the new payment options with First Billing; (ii) approved the operator's report; (iii) termination of delinquent accounts; and (iv) and amend District rate order to increase the sewer fee by \$0.54 per household and provide for automatic increases in sewer fee if the trash collection fee increases in the future.

### **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 "E". Director Noonan stated that the east side of Gaston Road has not been mowed. Mr. Martin will look into the matter and report back to the Board. Mr. Martin stated that he will coordinate with the District's Engineer to inspect the property at Pin Oak to generate a maintenance bid to present next month. No action was taken.

### **ENGINEER'S REPORT**

The Board then recognized Mr. Cannon 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

- Mr. Cannon noted that the District recently received the MS4 permit. No action was taken.

### 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. 10 in the amount of \$30,761.00.

The Board discussed the installation of light poles in the middle of a sidewalk and who they should contact to correct the matter.

Authorize construction contracts and related items

- No action.

No action was taken.

**FINANCIAL ADVISOR REPORT**

The Board recognized Mr. Eustis who presented and outlined a tentative financing timetable for the Board review related to the upcoming Unlimited Tax Bonds, Series 2016. A copy of said tentative financing timetable is attached hereto as Exhibit “G”.

**DEVELOPER’S REPORT**

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

**ATTORNEY’S REPORT**

Consider request from King Lakes HOA for shade structure

This matter was deferred.

Consider approving Resolution Evidencing Review of Investment Policy Strategies

Consideration was then given to approval of a Resolution Evidencing Review of Investment Policy and Investment Strategies (“Investment Policy”) Mr. Cannon reminded the Board that the Public Funds Investment Act requires the Board to review the District’s Investment Policy annually and consider making any changes thereto. After review, upon a motion brought by Director Noonan, seconded by Director Donahue, the Board unanimously voted to approve said Investment Policy.

Consider approving constable contract

The Board recognized Ms. Marquez who presented and outlined the Constable’s Contract for the upcoming year with a decreased cost estimate of approximately \$3,870, a copy of which is attached hereto as Exhibit “H”. After consideration, upon a motion brought by Director Noonan, seconded by Director Donahue, the Board unanimously approved said Constable Contract.

Discuss possible agreement with Westlake Estates HOA (“Westlake”)

Mr. Cannon reported that he has contacted the President of the HOA for Westlake Estates who stated that Westlake has done their part to deter erosion at the drainage channel by removing trees. Mr. Cannon stated that he explained the repercussions for not maintaining the drainage channel properly and requested Westlake’s assistance to joining the District’s efforts to prevent erosion and maintain the drainage channel. No action was taken.

Mr. Cannon drew the Board’s attention to the District’s constable report and the WCA call log attached 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 19<sup>th</sup> day of October, 2016.

(DISTRICT SEAL)



  
Secretary, Board of Directors