

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

September 19, 2018

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 19, 2018, at 9 Greenway Plaza, Suite 1000, 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 Noonan thus constituting a quorum.

Also present at the meeting were David Wells, a resident of the District; David Beyer with StormWater Solutions; Jan Bartholomew of Robert W. Baird & Co, Financial Advisors for the District; Amy Symmank with Myrtle Cruz, Inc., the District's Bookkeeper; Nick Bailey of Brown & Gay Engineers, Inc., the District's Engineer ("BGE"); Travis Benes with Environmental Allies ("Environmental"); 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 Ehmke, 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

Mr. Wells introduced himself as a resident of the Marshall Oaks subdivision who had recently been appointed to the Marshall Oaks homeowners association. He stated he was interested in learning about the District and in particular the proposed tax rate.

HEAR WCA REPORT

Consider approving recycle fee increase and acting thereon

Mr. Cannon reported that WCA has withdrawn their request to increase the recycle fee.

CONDUCT PUBLIC HEARING REGARDING 2018 TAX RATE AND APPROVE ORDER SETTING TAX RATE FOR 2018

At this time the meeting opened to a public hearing on the proposed 2018 tax rate for the District. Mr. Cannon reminded the Board that at the District’s meeting on August 15, 2018, the Board discussed the District’s tax rate for 2018. At such meeting the Board established its intent to levy a tax in the amount of \$1.00 consisting of \$0.74 for debt service and \$0.26 for maintenance and operations per \$100 valuation. Ms. Scott noted that she published Notice of the Public Hearing on the Tax Rate. Mr. Wells stated that he hoped the tax rate would not increase and was informed that it was going to be decreased. The Board closed the public hearing and resumed the regular meeting.

Consideration was then given to the adoption of an Order Setting Tax Rate for 2018. Upon a motion made by Director Menconi, seconded by Director Thomas, after full discussion and the question being put to the Board, the Board voted unanimously to set and levy a 2018 tax rate of \$1.00 consisting of \$0.74 for debt service and \$0.26 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 2018 tax rate of \$1.00 per \$100 of valuation. Following discussion regarding the Notice, and based on a motion by Director Thomas, which was seconded by Director Menconi, 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 MEETING OF AUGUST 15, 2018

The proposed minutes of the meeting held on August 15, 2018 previously distributed to the Board, were presented for consideration and approval. Upon a motion duly made by Director Thomas and seconded by Director Menconi, the Board voted unanimously to approve the minutes of the meeting of August 15, 2018.

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 September 2018, a

copy of which is attached hereto as Exhibit "B". Ms. Campbell reported that there are thirty (30) delinquent accounts to consider for disconnection.

Substantial System Repairs and Maintenance

- The Operator "top cleaned the wet well" at Lift Station No. 1 in the amount of \$2,017.20.
- The Operator "top cleaned the wet well" at Lift Station No. 3 in the amount of \$1,169.65.
- The Operator "top cleaned the wet well" at the wastewater treatment plant ("WWTP") in the amount of \$4,234.40.
- The Operator replaced the chart recorder at the WWTP in the amount of \$2,415.00
- The Operator replaced the check valve for the jockey booster pump at the Water Plant in the amount of 2,035.65
- The Operator made pre-purchase TCEQ repairs at Falcon Landing Retail in the amount of \$3,807.84

Water Plant Jockey Pump Repair

- Ms. Campbell reminded the Board that at the July meeting the Board authorized a repair to the jockey pump at the water plant. The pump is scheduled to be reinstalled the week of September 24th and put back in service.

Delinquent Accounts and Service Terminations

- The Operator presented a list of customers that received a delinquent letter by mail and are subject to disconnection of service.

Discuss request for installation of sidewalk from Marshall Oaks to Stableside at Falcon Landing Retail Center

The Board recognized Mr. Wells who stated that many Marshall Oaks residents are interested in walking to the NewQuest development. He inquired if the Board was interested in funding sidewalks from Marshall Oaks to the Stableside at Falcon Landing Retail Center. Mr. Cannon stated that NewQuest is planning on constructing a carwash and he anticipates the installation of sidewalks from Marshall Oaks. He recommended waiting for the completion of the construction of the carwash and related sidewalk before taking action. During discussion it was stated that there were no sidewalks on Greenbusch Drive as well, and Director Donahue suggested the District ask NewQuest if they were interested in installing sidewalks on Greenbusch. Mr. Bailey stated that he has already coordinated to meet with the Commissioner and could discuss the sidewalk installation with the Commissioner at that time. Mr. Cannon suggested the sidewalk installation would be included in the District's capital improvements plan.

Mr. Cannon reported that NewQuest will not be constructing the new access road to the wastewater treatment plant (“WWTP”) for approximately one (1) year. He asked the Operator if minor repairs should be done in the interim. Ms. Campbell stated that the current condition of the access road to the WWTP would be functional for one (1) year, however, the Board would need to revisit the matter if no plans to correct the access road exceeded one (1) year.

After review, upon a motion brought by Director Donahue, seconded by Director Thomas, the Board unanimously voted to approve (i) the Operator’s report; and (ii) the water termination cut off list.

HEAR REPORT FROM STORM WATER SOLUTIONS

Discuss year 5 goals relative to District Rate Order changes and the stormwater guidance manual; Consider approving chapter 4 and stormwater guidance manual

The Board recognized Mr. Beyer who updated the Board on the District’s SWMP. He distributed and reviewed Year 5 goals for the SWMP, including Chapter 4 of the Stormwater Guidance Manual. Mr. Beyer began his training session with the Board and other consultants. The topic of the Year 5 training included post-construction controls, as well as the other Minimum Controls Measures outlined in the District SWMP. Mr. Beyer presented a summary of the potential changes found in the draft of the upcoming PII permit, copies of which are attached hereto as Exhibit “C”. Mr. Beyer explained the reasons for the Stormwater Guidance Manual and how it meets the goals of the District SWMP. Mr. Beyer then continued with the training, thoroughly explaining chapter 4 of the Stormwater Guidance Manual, outlining the program elements of the Manual and how they complement the District SWMP.

Following review and discussion, Director Menconi moved to approve the Stormwater Guidance Manual, including Chapter 4. Director Donahue seconded the motion, which carried unanimously.

TAX ASSESSOR/ COLLECTOR REPORT

The Board recognized Ms. Scott who delivered the tax collection report, a copy of which is attached hereto as Exhibit “D”.

Consider termination of water for delinquent tax accounts

Ms. Scott outlined the delinquent tax accounts recommended for water termination. She noted one account may have a tenant and the Operator will confirm.

After review and upon a motion by Director Thomas, second by Director Donahue and the question being put to the Board, the Board voted unanimously to approve the tax collector’s report and authorize water termination for delinquent accounts as recommended, subject to confirmation that there are no tenants in occupancy of the properties.

HEAR FROM FINANCIAL ADVISOR'S REPORT

Review and Approve of Preliminary Official Statement ("POS"); Consider approving Orders Distributing POS; Authorize Financial Advisor to Advertise Sale of Bonds; Consider Authorizing District Consultants to take any and all action necessary to proceed with the Issuance of Bonds

The Board recognized Ms. Bartholomew, who presented for the Board's review and approval the financial advisor's report, and a draft of the Preliminary Official Statement for the upcoming 2018 Bond Issuance. Upon a motion by Director Menconi and seconded by Director Berger, the Board voted unanimously to (i) approve the financial advisor's report, (ii) approve the POS, (iii) approve an order authorizing the distribution of the preliminary official statement; and (iv) authorize the financial advisor to advertise of the sale of Bonds. A copy of the POS is attached hereto as Exhibit "E" and shall be considered a part of these minutes.

Consider approving engagement letter with Roth & Eyring, PLLC to prepare the developer reimbursement audit report

This matter was deferred.

BOOKKEEPER'S REPORT

The Board recognized Ms. Symmank who reviewed the bookkeeper's report, a copy of which is attached hereto as Exhibit "F". Upon a motion brought by Director Donahue, seconded by Director Thomas the Board unanimously voted to approve the bookkeeper's report, payment of the bills.

HEAR ENVIRONMENTAL ALLIES REPORT AND CONSIDER ACTING THEREON

The Board recognized Mr. Benes who presented and reported on maintenance of the detention pond in the District, a copy of his report is attached hereto as Exhibit "G". 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 "H".

Authorize Engineer to advertise for bids for District projects

Mr. Bailey requested the Board authorize him to advertise for bids for the wastewater reuse site improvements and the wastewater reuse distribution lines.

Authorize construction contracts and related items

- Gaston Road 12” Water Line Relocation:

Three bids were received on Thursday, September 13, 2018. Allgood Construction Co., Inc. (“Allgood”) submitted the lowest bid, with a total amount of \$46,352.25. Included to the Engineer’s report is a copy of the engineer’s recommendation of award letter and bid tabulation.

Discuss inspection of water tanks and take any necessary action

Mr. Bailey stated next year the discussion about possibly replacing the two galvanized ground storage tanks will be revisited.

Upon a motion brought by Director Donahue, seconded by Director Thomas, the Board unanimously voted to (i) authorize the Engineer to advertise for bids for the wastewater reuse site improvements and the wastewater reuse distribution lines; (ii) award Allgood the contract for the Gaston Road 12” Water Line Relocation; and (iii) approve the Engineer’s report, as presented.

ATTORNEY’S REPORT

Consider approving renewal of the Constable contract with Fort Bend County, Precinct 3

The Board recognized Mrs. Ehmke who presented and outlined the Constable’s Contract for the upcoming year, a copy of which is attached hereto as Exhibit “I”, along with an option for a second deputy. After consideration, upon a motion brought by Director Menconi, seconded by Director Berger, the Board unanimously approved said Constable Contract with only one deputy.

Mr. Cannon drew the Board’s attention to the District’s constable report and WCA call log attached as Exhibit “J”.

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

PASSED, APPROVED AND ADOPTED this 17th day of October, 2018.

(DISTRICT SEAL)




Secretary, Board of Directors