

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

February 15, 2017

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, February 15, 2017, 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 Menconi thus constituting a quorum.

Also present at the meeting were Amy Symmank with Myrtle Cruz, Inc., the District's Bookkeeper; Adam Cohen of Robert W. Baird & Co, Financial Advisor for the District; Felix DeLeon WCA Waste Corporation; Nick Bailey of Brown & Gay Engineers, Inc., the District's Engineer ("BGE"); Richard Martin with Environmental Allies ("Environmental"); 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"); 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 Mr. DeLeon who reviewed an amendment to the District's trash contract with WCA to include tree disposal seasonally. He noted that there would be no increase in the District's fee for the tree disposal service. Director Noonan stated that when the tree

disposal service is in progress to have a distinction between bulk and recycle days. Ms. Campbell requested Mr. DeLeon provide her with the dates that tree disposal service will commence so she may note the dates on the District's water bill. Upon a motion brought by Director Noonan, seconded by Director Donahue the Board unanimously approved the Second Amendment to Residential Solid Waste Collection contract between WCA and the District, subject to review by the District's attorney.

APPROVE MINUTES OF MEETINGS OF JANUARY 18, 2017

Proposed minutes of the meeting held on January 18, 2017 previously distributed to the Board, were presented for consideration and approval. Upon a motion duly made by Director Noonan and seconded by Director Berger, the Board voted unanimously to approve the minutes of the regular meeting of January 18, 2017.

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 96.275% collected on its 2016 taxes.

Adopt Resolution Regarding Tax Exemptions for 2017

The Board next considered authorizing tax-exemptions for 2017. Ms. Scott noted that in the past the Board had granted a \$10,000 tax exemption to those residents who are disabled or over the age of 65.

Approve Resolution Implementing 20% Penalty on 2016 delinquent taxes

Ms. Scott discussed with the Board the District's authority to grant tax exemptions and discussed the District's authority to apply a 20% penalty to delinquent tax accounts. She then advised the Board that the District is authorized as a taxing authority to engage a delinquent tax attorney to collect delinquent taxes on behalf of the District.

Ms. Scott said that delinquent accounts become subject to collection by the delinquent tax attorney as of April 1 for personal property and July 1 for real property. Mr. Cannon noted that the 20% penalty is applied to delinquent accounts to offset the expenses incurred by the District for delinquent tax collection.

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 (i) grant a \$10,000 exemption to residents 65 years of age and older or disabled for 2017, (ii) adopt the Resolution Implementing a 20% Penalty for 2016 Delinquent Taxes, and to hire Coats|Rose to collect delinquent taxes for the District, and (iii) 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 that she will incorporate the WaterLogic expenses below the line of the District's regular budget items.

After review, upon a motion duly made by Director Thomas, and seconded by Director Berger, the Board voted unanimously approved the bookkeeper's report, payment of the bills, subject to the changes and investigation discussed by the Board. 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 February 2017, a copy of which is attached hereto as Exhibit "D". Ms. Campbell reported that there are twenty-nine (29) delinquent accounts to consider for disconnection.

Substantial System Repairs and Maintenance:

- Installed seven (7) residential taps and meters in the amount of \$3,250.00.

Wastewater Treatment Plant ("WWTP") Blower Replacement:

- Ms. Campbell requested authorization to replace the blower at the WWTP for a cost of \$3,637.00, plus an estimated cost of \$1,800.00 for the EDP's time and materials.

Rate Order Changes:

- Ms. Campbell requested the Board consider amending the Rate Order to allow customers whose water service has been terminated for delinquency to pay their account using a credit card. Currently, the Rate Order only allows cashier's check and/or money order be permitted forms of payment.

After discussion, upon a motion, brought by Director Noonan, and seconded by Director Donahue, the Board approved (i) the operator's report; (ii) an amendment to the District's Rate order as recommended by the operator; (iii) the termination of delinquent accounts; and (iv) the replacement of the blower at the WWTP for a cost of \$3,637.00.

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". Mr. Cannon stated that Woodlake Estates HOA requested a revision to the proposed agreement between the District and recommended Mr. Martin postpone work on the drainage channel until the revised agreement is fully executed.

Consider approving Maintenance Agreement between the District and Pin Oak Enclave HOA

This matter was deferred.

Consider approving maintenance proposal for Pin Oak Enclave

This matter was deferred.

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 "F".

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

- No action.

Authorize construction contracts and related items

- The Emergency Water Interconnect with Harris-Fort Bend County Municipal Utility District No. 5. No action.

Consider approving Order Authorizing application for Approval by TCEQ of project and Issuance of Bonds; Consider approving Application for Approval of TCEQ of Project and Issuance of Bonds

- Mr. Bailey included in his report a draft of the bond application report for review and approval. He plans to submit the application to the TCEQ by the end of the month.

Consider authorizing any other action necessary to obtain approval of District's bond application

- District's meetings and requested approval to move forward with any action necessary.

Mr. Cohen presented and outlined a financial analysis for the District's proposed \$4,740,000 bond issue, Series 2017, a copy of which is attached hereto as Exhibit "G".

Upon a motion brought by Director Noonan, seconded by Director Berger, the Board unanimously approved (i) the engineer's report and action items therein; (ii) a Order Authorizing Application, (iii) the Application for Approval of the bond issue, and (iv) any necessary action needed to submit the District's bond application.

DEVELOPER'S REPORT

No report was provided.

ATTORNEY'S REPORT

Consider approving Revised Agreement with Woodlake Estates HOA

Mr. Cannon outlined the revised Agreement with Woodlake Estates HOA regarding the repair and maintenance of the drainage channel and requested the Board's approval. He noted the revised agreement has a term of five (5) years. After consideration, upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to approve the revised Agreement with Woodlake Estates HOA for repairs and maintenance of the drainage channel.

Review HOA proposals for playground shade structure

Mr. Cannon reported that the King Lakes HOA had submitted a proposal for a playground shade structure, a copy of which is attached hereto as Exhibit "H". Upon a motion brought by Director Noonan, seconded by Director Donahue, the Board unanimously voted to approve the proposal in the amount of \$33,276.00.

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 29th day of March, 2017.

(DISTRICT SEAL)




Secretary, Board of Directors