

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

August 16, 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, August 16, 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 Donahue, thus constituting a quorum.

Also present at the meeting were Ben Brown of Retail Properties Group; Mark Eyring of Roth & Eyring P.C.; Karrie Kay with Myrtle Cruz, Inc., the District's Bookkeeper; Nick Bailey of Brown & Gay Engineers, Inc., the District's Engineer ("BGE"); Richard Martin 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 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.

CONSIDER APPROVING REIMBURSEMENT AUDIT IN CONNECTION WITH THE UNLIMITED TAX BOND SERIES, 2017 BOND ISSUANCE

The Board recognized Mr. Eyring who presented and outlined the District's reimbursement audit with the developers, a copy of which is attached hereto as Exhibit "B". Upon a motion duly made by Director Noonan, seconded by Director Thomas, the Board voted unanimously to approve the reimbursement audit.

APPROVE MINUTES OF MEETING OF JULY 19, 2017

The proposed minutes of the meeting held on July 19, 2017 previously distributed to the Board, were presented for consideration and approval. Upon a motion duly made by Director Thomas and seconded by Director Berger, the Board voted unanimously to approve the minutes of the regular meeting of July 19, 2017.

HEAR FROM FINANCIAL ADVISOR'S REPORT

Discuss Tax levy for 2017, set Public Hearing and authorize publication of notice thereof

Mr. Cannon presented the Financial Advisor's report who recommended the Board levy a tax rate of \$1.02 for 2016; consisting of \$0.71 for debt service and \$0.31 for maintenance and operations. Following discussion and based on a motion duly made by Director Menconi, seconded by Director Noonan the Board voted unanimously to approve the Financial Advisor's recommendation; publish a Notice of Intent to levy a tax in the amount of \$1.02, and set a hearing on the tax rate for Wednesday, September 20, 2017. A copy of the tax analysis and recommendation is attached hereto as Exhibit "C".

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". She noted that the District is 99.300% collected on its 2016 taxes. Upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted 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.

Mr. Cannon stated that the amount due to Alliance in the reimbursement audit will be split with the Brown Family. After review, upon a motion duly made by Director Noonan, and seconded by Director Berger, the Board voted unanimously approved the bookkeeper's report, payment of the bills. A copy of the bookkeeper's report is attached hereto as Exhibit "E".

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 2017, a copy of which is attached hereto as Exhibit "F". Ms. Campbell reported that there are forty (40) delinquent accounts to consider for disconnection.

Substantial System Repairs and Maintenance:

- Installed residential tap and meter at one locations in the amount of \$475.00;
- Installed commercial tap and meter at Sonic (2) in the amount of \$8,000.00;
- Performed annual load bank test on generator at the Water Plant ("WP") in the amount of \$2,125.83;
- Performed annual load bank test on generator at the wastewater treatment plant ("WWTP") in the amount of \$2,125.83;
- Performed annual load bank test on generator at lift station no. 1 in the amount of \$1,161.42;
- Repaired automatic transfer switch at lift station no. 1 in the amount of \$5,069.25;
- Performed annual load bank test on generator at lift station no. 2 in the amount of \$1,285.62;
- Top clean wet well at lift station no. 2 in the amount of \$1,159.78;
- Replaced transducer at lift station no. 3 in the amount of \$1,228.78;
- Performed annual load bank test on generator at lift station no. 4 in the amount of \$1,311.60; and
- Service line leak repair at 25610 Buckley Bluff Ln. in the amount of \$1,088.96.

Delinquent Accounts and Service Terminations:

- A list of customers that received delinquent letters by mail and subject to disconnection of service is included in the operator's report.

Mr. Cannon reminded the Board of the consumer price index ("CPI") increase in costs for WCA previously discussed. He stated the District's Rate Order was amended in September 2016 to reflect changes for the CPI; however, he requested the Board consider amending the District's Rate Order at the next meeting to clarify the CPI language related to future CPI increases.

After review, upon a motion brought by Director Noonan, seconded by Director Berger, the Board unanimously voted to approve the Operator's report, including the water termination 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 "G".

Mr. Martin also presented and outlined a proposal for the Falcon Landing Median Maintenance, a copy of which is attached hereto as Exhibit "H". Director Noonan inquired on whether or not the District could authorize Mr. Martin to move forward on minor repairs outside District meetings. Mr. Cannon stated the Board could authorize Mr. Martin to proceed with repairs not to exceed an amount agreed upon by the Board.

Upon a motion brought by Director Noonan, seconded by Director Berger, the Board voted to unanimously approve the Environmental Allies' report and proposal for the Falcon Landing Median Maintenance.

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 "I".

Authorize engineer to proceed with the design of District facilities

- Wastewater Reuse - Permitting and Site Improvements
- Wastewater Reuse - Water distribution lines

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

- The Emergency Water Interconnect with Harris-Fort Bend County Municipal Utility District No. 5. ("HFBCMUD5") :
Contractor: Canyon Construction Company
Contract Amount: \$127,303.92
Pay Estimate No. 1 in the amount of \$115,641.04 and Tolunay-Wong Engineers invoice in the amount of \$2,014.50

Authorize construction contracts and related items

- No action

Consider approving KGA DeForest Design proposal

- Attached to the Engineer's report is a proposal from KGA DeForest for landscape architect work related to retrofitting the existing King Lakes and Marshall Oaks HOA irrigation systems for use of reclaimed wastewater.

Consider approving proposals from Brown & Gay Engineering related to wastewater reuse project

- Attached to the Engineer's report are proposals for engineering and surveying work for the permitting, site improvements and water distribution lines as part of the wastewater reuse project.

Mr. Cannon stated that a request from Sonic for utility commitment was submitted. He requested the Board's approval and execution of the utility commitment letter to Sonic.

After review, upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to (i) authorize the Engineer to proceed with the permitting, site improvements and water distribution lines for wastewater reuse; (ii) approve the Engineer's proposals for engineering and surveying work for permitting, site improvements and water distribution lines as part of wastewater reuse project; (iii) approve KGA DeForest's proposal for landscape architect work for King Lakes and Marshall Oaks HOA irrigation systems for reclaimed wastewater; (iv) approve the utility commitment letter as requested from Sonic; (v) approve Pay Estimate No. 1 in the amount of \$115, 641.01, including Tolunay-Wong Engineers invoice in the amount of \$2,014.50; and (vi) approve the Engineer's report as presented.

DEVELOPER'S REPORT

No report was provided.

ATTORNEY'S REPORT

Approve Amended and Restated Investment Policy

Consideration was then given to the approval of the Order Amending and Restating 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. He reported that the Texas State Legislature recently made changes that required an amendment to the District's Investment Policy, and recommended the Board to adopt the Order as presented. Upon a motion brought by Director Noonan, seconded by Director Menconi, the Board unanimously voted to approve the Amended and Restated Investment Policy.

Mr. Cannon drew the Board's attention to the District's constable report and the 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 20th day of September, 2017.



Secretary, Board of Directors