

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

January 25, 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 special session, open to the public, at 12:00 p.m., Thursday, January 25, 2018, 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 Berger, thus constituting a quorum.

Also present at the meeting were David Wood of Robert W. Baird & Co, Financial Advisors for the District; Tina Kelsey 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 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.

APPROVE MINUTES OF MEETING OF NOVEMBER 15, 2017

The proposed minutes of the meeting held on November 15, 2017 previously distributed to the Board, were presented for consideration and approval. Upon a motion duly made by Director Thomas and seconded by Director Noonan, the Board voted unanimously to approve the minutes of the regular meeting of November 15, 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 6.366% collected on its 2017 taxes. Ms. Scott noted a line item for pre-paid 2018 taxes. Upon a motion brought by Director Noonan, seconded by Director Donahue, the Board unanimously voted to approve the tax collector's report

Consider termination of water for delinquent tax accounts

Ms. Scott drew the Board's attention to the last page of her report and stated the District's delinquent tax attorney recommended three (3) accounts have water terminated for non-payment of 2016 taxes.

Upon a motion brought by Director Thomas, seconded by Director Noonan, the Board unanimously voted to approve the termination of water for the three (3) accounts, as recommended.

BOOKKEEPER'S REPORT

The Board recognized Ms. Kelsey who reviewed the bookkeeper's report, and payment of the bills listed therein. Mr. Cannon noted that funds were received from NewQuest for the EDA reimbursement. The Board instructed the Bookkeeper to include in the report a more detailed tracking of the EDA reimbursement.

After review, upon a motion duly made by Director Noonan, and seconded by Director Thomas, the Board voted unanimously to approve the bookkeeper's report, payment of the bills. 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 January 2018, a copy of which is attached hereto as Exhibit "D". Ms. Campbell reported that there are fifty-eight (58) delinquent accounts to consider for disconnection.

Substantial System Repairs and Maintenance

None

Wastewater Treatment Plant Blower No. 3 Replacement

- Ms. Campbell requested authorization to replace Blower No. 3 at the wastewater treatment plant for an estimated cost of \$3,750.00, plus an estimated cost of \$1,400.00 for EDP time and materials. The cause of failure is bearing failure.

Wastewater Treatment Plant Blower No. 6 Replacement

- Ms. Campbell requested authorization to replace Blower No. 6 at the wastewater treatment plant for an estimated cost of \$3,750.00, plus an estimated cost of \$1,400.00 for EDP time and materials. The cause of failure is bearing failure.

25911 Celtic Terrace Dr. – Leak Adjustment Request

- Please see the attached letter from the customer at the address listed above. The customer is requesting adjustment due to high usage. Attached is the customer's usage history.
 - The Board reviewed the account's history and requested the operator report back to the account holder that no adjustment is approved at this time.

Write Off List

- Please see attached a current write-off list for your consideration and approval. These accounts are from April 2017 through September 2017. There are 3 accounts totaling \$761.43.

North Fort Bend Water Authority ("NFBWA") Bill insert

- Attached is an insert regarding the NFBWA rate increase included with the bills that will mail approximately January 23rd.

Delinquent Accounts and Service Terminations

- Please see attached the list of customers that received a delinquent letter by mail and are subject to disconnection of service.

Ms. Campbell noted that the District was enrolled for the 2018 Larry's Toolbox program and has coordinated with the NFBWA regarding the same. After review, upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to (i) authorize the Operator to replace blowers Nos. 3 and 6; (ii) approve the write off list; (iii) approve the Operator's report, including the water termination list; and (iv) ratify the enrollment for the 2018 Larry's Toolbox program.

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 "E".

Mr. Benes presented and outlined a revised maintenance budget and stated the acreage in a few areas is incorrect and has been corrected. He noted the budget increased \$3,000.00 as a result and requested the Board's execution and approval of said revised budget. A copy of the revised maintenance budget is attached hereto as Exhibit "F".

Next, Mr. Benes presented a proposal for the Pilot Channel dip-out and re-grading, a copy of which is attached hereto as Exhibit "G". He added that an alternative to maintaining this area is to use aquatic herbicide. The Board deferred action on this matter.

After consideration, upon a motion brought by Director Noonan, seconded by Director Donahue, the Board unanimously approved the revised maintenance budget, as presented.

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".

Discuss future bond application cost summary

The future bond application summary was presented for review at November's meeting. Attached to the Engineer's report is a cost summary for the proposed surplus funds release request.

Update on Woodlake Estates drainage

The Marshall Oaks developer stated that standing water on the Woodlake Estates property is overflowing onto the adjacent Marshall Oaks lots and draining into the Marshall Oaks public storm sewer system. Attached to the Engineer's report is an exhibit of the area. The area in question is on the Woodlake Estates property is within a 20' drainage easement.

The Board instructed Mr. Cannon to contact the Woodlake Estates homeowner's association regarding the maintenance and overflow of water into the Marshall Oaks storm sewer system.

Mr. Bailey then reported on NewQuest's potential plans to re-plate the water plant site and grant the District an access easement. Mr. Cannon reported that NewQuest is requesting a sixty (60) day contract extension in regards to the closing under its Agreement with the District.

After consideration, upon a motion brought by Director Menconi, seconded by Director Noonan the Board unanimously approved (i) the Engineer's report; (ii) an amendment to the

District's contract with NewQuest granting the sixty (60) day closing extension; and (iii) the plat of the water plant.

DEVELOPER'S REPORT

No report was provided.

ATTORNEY'S REPORT

Consider approving Alternative Water Supply Credit Agreement relating to Re-used Water with North Fort Bend Water Authority ("NFBWA")

Mr. Cannon presented and reviewed the Alternative Water Supply Credit Agreement Relating to Re-used Water with the NFBWA, a copy of which is attached hereto as Exhibit "I". He requested the Board's approval after review. Upon a motion brought by Director Menconi, seconded by Director Noonan, the Board unanimously voted to approve the Alternative Water Supply Credit Agreement relating to Re-used Water with NFBWA.

Review draft of Reclaimed Water Supply Agreements for Sale of Reclaimed Water and consider acting thereon

Mr. Cannon presented and reviewed the Reclaimed Water Supply Agreements for Sale of Reclaimed Water with King Lakes homeowner's association and Marshall Oak homeowner's association, copies of which is attached hereto as Exhibit "J" and Exhibit "K" respectively. He requested the Board's approval after review. After consideration, upon a motion brought by Director Menconi, seconded by Director Noonan, the Board unanimously voted to approve the Reclaimed Water Supply Agreements for Sale of Reclaimed Water with King Lakes homeowner's association and Marshall Oak homeowner's association.

Consider accepting conveyance of lift station Reserve I in Pin Oak Enclave to the District

This matter was deferred.

Review and approve insurance renewal expiring January 23, 2018

The Board recognized Ms. Marquez who presented and outlined the District's insurance renewal rates for 2018, a copy of which is attached hereto as Exhibit "L". The Board reviewed the insurance renewal proposal and requested umbrella liability and law enforcement liability be included as well. Upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to approve the insurance renewal, including the umbrella and law enforcement liabilities.

Consider approving Resolution Requesting Texas Commission on Environmental Quality's ("TCEQ") approval to use Surplus Funds

Mr. Cannon reported that Mr. Bailey included in the Engineer's report a summary of costs for the Surplus Funds Application, which includes the list of projects to be reimbursed. He requested the Board approve the Resolution Requesting the TCEQ's approval to use Surplus Funds. Upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to approve the Resolution Requesting the TCEQ's approval to use Surplus Funds.

Discuss HOA request regarding maintenance on playground shade structures

Ms. Marquez presented proposals provided by the King Lakes HOA who is requesting the Board consider approving the cost associated with replacing three (3) shade covers at two (2) playgrounds. After consideration, upon a motion brought by Director Menconi, seconded by Director Noonan, the Board unanimously approved (i) the replacement of three (3) playground shade covers at two (2) playgrounds, subject to the final invoice excluding taxes, as the District is tax exemption; and (ii) the King Lakes HOA to decide which vendor will replace said playground shade covers. Copies of said proposals are attached hereto as Exhibit "M".

Mr. Cannon drew the Board's attention to the District's constable report attached as Exhibit "N".

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PASSED, APPROVED AND ADOPTED this 21st day of February, 2018.

(DISTRICT SEAL)


Secretary, Board of Directors

