

MINUTES OF REGULAR MEETING
OF THE
BOARD OF DIRECTORS

August 15, 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, August 15, 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 Directors Donahue and Menconi thus constituting a quorum.

Also present at the meeting were David Wood 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 and Daniel Pereya 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

No comments were provided by the public.

APPROVE MINUTES OF MEETING OF JULY 18, 2018

The proposed minutes of the meeting held on July 18, 2018 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 meeting of July 18, 2018.

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". 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 approve the tax collector's report.

HEAR FROM FINANCIAL ADVISOR'S REPORT

Authorize financial advisor to prepare Preliminary Official Statement ("POS") and Notice of Sale ("NOS"); and Consider authorizing District consultants to take any and all action necessary to proceed with the issuance of bonds

Mr. Cannon requested the Board authorize the Financial Advisor to prepare the Preliminary Official Statement ("POS") for the District's \$6,800,000 Unlimited Tax Bonds, Series 2018 (the "Bonds"). He discussed the timeline for sale of the Bonds and reviewed the process for advertising the sale of the Bonds. He stated that the POS is the disclosure document which informs any potential purchaser of the Bonds of the risks associated with the purchase along with other information regarding the District. Mr. Cannon stated that copies of the POS will be provided to all prospective purchasers of the Bonds. After further discussion, Director Noonan moved that the Board authorize the preparation of the Preliminary Official Statement and authorize Financial Advisor to proceed with sale of Series 2018 Unlimited Tax Bonds. The motion was seconded by Director Berger and approved by unanimous vote of the Board.

Discuss Tax levy for 2018, set Public Hearing and authorize publication of notice thereof

Mr. Wood presented the Financial Advisor's report who recommended the Board levy a tax rate of \$1.00 for 2018; consisting of \$0.74 for debt service and \$0.26 for maintenance and operations. Following discussion and based on a motion duly made by Director Noonan, seconded by Director Berger the Board voted unanimously to approve the Financial Advisor's recommendation; publish a Notice of Intent to levy a tax in the amount of \$1.00, and set a hearing on the tax rate for Wednesday, September 19, 2018. A copy of the tax analysis and recommendation is attached hereto as Exhibit "C".

BOOKKEEPER'S REPORT

The Board recognized Ms. Symmank who reviewed the bookkeeper's report, a copy of which is attached hereto as Exhibit "D". Ms. Symmank noted that she is still holding the

NewQuest reimbursement check from surplus funds. Mr. Cannon stated that all facilities must be conveyed and inspected before said check can be released. Director Noonan requested the Bookkeeper include the previous year's utility tracking in the report as well.

Upon a motion brought by Director Noonan, seconded by Director Thomas the Board unanimously voted to approve the bookkeeper's report, payment of the bills.

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 2018, a copy of which is attached hereto as Exhibit "E". Ms. Campbell reported that there are forty-three (43) delinquent accounts to consider for disconnection.

Substantial System Repairs and Maintenance

- The Operator repaired the Automatic Transfer Switch ("ATS") at Lift Station No. 1 in the amount of \$6,153.75.
- The Operator made repairs to the emergency response system for power issues at Lift Station No. 1 in the amount of \$1,323.75.
- The Operator repaired Blower No. 2 at the wastewater treatment plant in the amount of \$5,085.55.
- Lead and Copper sampling was conducted for regulatory compliance in the amount of \$2,052.51.
- The Operator prepared, reviewed and mailed the Consumer Confidence Reports for regulatory compliance in the amount of \$1,237.93.

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, which is currently in process.

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.

Director Noonan stated there were some water pressure issues in the mornings recently. Ms. Campbell stated during certain hours in the morning it is not unusual to have slight decrease of pressure during those hours, however she will confirm there are no other factors affecting water pressure.

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

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 "F". Mr. Benes reminded the Board of the approval of the slope paving repairs in the District at the previous meeting in the amount of \$36,350. He reported that the condition of the slope's condition worsened and therefore increased the previous proposal to \$46,365.38, a copy of which is attached hereto as Exhibit "G". Director Noonan stated he met with Mr. Benes at the detention pond and authorized him to move forward with the new increased proposal.

After consideration, upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously approved the modified proposal for the slope paving repairs in the new amount of \$46,365.38 and Environmental Allies report.

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".

Consider approving amended utility commitment letter to VillaSport

Mr. Bailey stated that a request was submitted for water and sanitary sewer capacity for the proposed VillaSport development and was previously approved. However, NewQuest requested the twelve (12) month contingency to complete the project be modified. Mr. Cannon stated he increased said contingency to three (3) years and requested the Board approve the Amended Utility Commitment Letter to VillaSport, a copy of which is attached hereto as Exhibit "I".

Next, Mr. Bailey stated that he has started drafts of signs to be installed related to the water reuse program, a copy of which is attached hereto as Exhibit "J". The Board requested rounder edges on the signs and to coordinate with the District's Operator regarding the locations with the possibility of using the poles already installed for existing signs in the District.

Upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to approve the Amended Utility Commitment Letter to VillaSport and the Engineer's report, as presented.

ATTORNEY'S REPORT

Consider accepting conveyance of detention ponds from NewQuest to the District

The Board recognized Mr. Cannon who updated the Board and stated that the conveyances have been sent to NewQuest but have not yet been executed; however he asked the Board to accept the conveyances in the form attached once executed by NewQuest. A copy of said conveyances are attached hereto as Exhibit "K". Upon a motion brought by Director

Noonan, seconded by Director Thomas, the Board unanimously voted to accept the conveyance of the detention ponds from NewQuest to the District.

Consider approving agreement for Fort Bend County regarding relocation of water line

Mr. Cannon presented and reviewed the Water Line Relocation Agreement with Fort Bend County for the Board's consideration, a copy of which is attached hereto as Exhibit "L". After consideration, upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to approve the Water Line Relocation Agreement as presented.

Approve water line easements related to water line relocation

Mr. Cannon stated that water line easements were drafted and sent to both homeowner's associations ("HOA's") within the District for execution as it relates to the proposed water line relocation. Upon a motion brought by Director Noonan, seconded by Director Thomas, the Board unanimously voted to approve said water line easements, subject to the HOA's execution and approval.

Approve Annual Review of Investment Policy

Consideration was then given to the 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 Thomas, the Board unanimously voted to approve said Investment Policy.

Mr. Cannon drew the Board's attention to the District's constable report and WCA call log attached as Exhibit "M".

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

PASSED, APPROVED AND ADOPTED this 19th day of September, 2018.

(DISTRICT SEAL)

Terrell W. Brown
ASSIST. Secretary, Board of Directors

