

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 187

March 13, 2018

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 187 (the "District") met in regular session, open to the public, on the 13th day of March, 2018, at the offices of Allen Boone Humphries Robinson, LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

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| David Vrshek | President |
| Larry J. Junek | Vice President |
| Sam Mayson | Secretary |
| Doug Fyfe | Assistant Vice President |
| Donna Coleman | Assistant Secretary |

and all of the above were present, with the exception of Director Mayson, thus constituting a quorum.

Also present at the meeting were: Rose Montalbano of F. Matuska, Inc.; Cathy Brittain-Drew of Assessments of the Southwest, Inc. ("ASW"); Ron Dechert of Costello, Inc. ("Costello"); Todd Johnson of Caldwell Companies; Julie Peak of Hilltop Securities, Inc.; Shannon Waugh of Off Cinco; and Lynne B. Humphries, Veronica Seguin and Hannah Brown of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

No public comments were received by the Board.

MINUTES

The Board considered approving the minutes of the January 9, 2018, regular meeting. After review and discussion, Director Junek moved to approve the minutes of the January 9, 2018, regular meeting, as revised. Director Coleman seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING

Ms. Montalbano presented and reviewed the bookkeeper's report, quarterly investment report, and list of bills to be paid. Discussion ensued regarding the Road Bond Expense Worksheet tracking and notating the actual expenses and reimbursement in the District's budget. Ms. Montalbano stated she will notate such costs and reimbursements in the budget. After review and discussion, Director Fyfe moved to approve the bookkeeper's report and pay the bills listed in the report. Director

Coleman seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Brittain-Drew presented and reviewed with the Board the tax assessor/collector's report, including the unpaid accounts roll, a copy of which is attached.

Ms. Brittain-Drew presented and reviewed two requests for penalty and interest waivers from residents of the District, copies of which are attached to the tax assessor/collector's report. Ms. Brittain-Drew and Ms. Humphries reviewed the circumstances under which a district may grant waivers on penalty and interest and noted the waiver does not apply in the requested instances as there was no fault in the servicing and/or delivery of the tax statements.

Director Vrshek discussed the status of a certain tax account. Ms. Brittain-Drew stated she will follow up with the Fort Bend Central Appraisal District and the District's delinquent tax attorney regarding the account.

Discussion ensued regarding the delinquent homeowner association statements.

Following discussion, Director Coleman moved to (1) approve the tax assessor/collector's report and pay the bills from the tax account; and (2) deny the two presented requests for waiver of penalty and interest fees. Director Fyfe seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

The Board reviewed the City of Richmond (the "City") operator's report, a copy of which is attached. It was noted that during the previous month, the City installed 16 new single family connections. It was noted that the City reported a total of 1,131 occupied single family connections through February 28, 2018. Director Vrshek noted there have been 1,115 home sales closed in the District to date.

Ms. Humphries reported that the District follows the City's Drought Contingency Plan and the City has not made any amendments to its Drought Contingency Plan.

Director Vrshek inquired about any planned City upgrades or improvements to the lift station that serves the District. Mr. Dechert stated the City monitors the lift station capacity daily and discussed potential upgrades. He noted the lift station is designed with a spare pump and has a vacuum truck on standby. Mr. Dechert stated he would follow up with the City regarding additional upgrades and plans for the lift station.

After review and discussion, Director Coleman moved to approve the operator's report. Director Junek seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT IN AND AROUND THE DISTRICT AND LANDSCAPING AND PARK MATTERS

Mr. Johnson discussed development in the District, including status of plans for the dog park and extending the trail system.

SIDEWALK CONSTRUCTION AGREEMENT

The Board discussed the development of the adjacent Thompson tract and construction of the District sidewalk along FM 762. Mr. Dechert presented and reviewed a Preliminary Statement of Probable Construction Costs for Construction of Sidewalk along FM 762, a copy of which is attached.

HIKE AND BIKE TRAIL; MASTER LICENSE AGREEMENT FOR HIKE AND BIKE TRAIL WITH CENTERPOINT

Ms. Humphries stated ABHR has not received a response from CenterPoint regarding the Master License Agreement. Discussion ensued regarding the development of Veranda.

MAINTENANCE AND REPAIR OF DISTRICT FACILITIES

Director Vrshek stated the erosion mediation work behind homes along Cliestes and Persimon Grove has been substantially completed and noted the contractor, Frank's Nursery has recommended the installation of 58 top stones at a total cost of \$348.00 to complete the work. After discussion, Director Vrshek moved to approve a change order to the Frank's Nursery contract for erosion mediation work behind homes along Cliestes and Persimon Grove to install 58 stop stones at a total cost of \$348.00. Director Fyfe seconded the motion, which passed unanimously. Director Vrshek discussed certain drainage impediments in the drainage channel behind Cliestes and Persimon Grove and stated he would follow up with the homeowners association regarding continuing maintenance.

ENGINEERING MATTERS

Director Coleman discussed certain flooding of the pet waste station and surrounding trail areas in Del Webb Sweetgrass, Section 8. She stated she has asked the homeowners association to move the pet waste station further east and noted when there is a heavy rain that portion of the walking trail cannot be accessed as there is no apparent place for the water to drain. Mr. Dechert stated he will review the issue.

RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR USE OF SURPLUS FUNDS

Mr. Dechert discussed a surplus funds application in the approximate amount of \$150,000 to reimburse the developer for certain impact/connection fees to the City. After review and discussion, Director Vrshek moved to adopt a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Use of Surplus Funds and direct it be filed appropriately and retained in the District's official records. Director Junek seconded the motion, which passed unanimously.

WEBSITE DEVELOPMENT

Ms. Waugh presented and reviewed a proposal from Off Cinco, a copy of which is attached, for the development of a District website. Discussion ensued, including setup costs and website maintenance. After review and discussion, Director Vrshek moved to approve the proposal from Off Cinco, reflecting the \$900 fixed layout development fee, and the pay per update billing format. Director Fyfe seconded the motion, which passed unanimously. The Board discussed including meeting minutes and agendas, the District Information Kit, and helpful links on the District's website.

Ms. Humphries discussed Senate Bill 682 with the Board.

2015 DIRECTORS ELECTION

Ms. Humphries discussed procedures related to the 2018 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received four candidate applications and two withdrawals for the two director positions for the May 5, 2018, Directors Election. Following review and discussion, Director Vrshek moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors. Director Fyfe seconded the motion, which passed unanimously.

Ms. Humphries presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 5, 2018, Directors Election is cancelled and that the unopposed candidates, Directors Junek and Coleman, are declared elected to office to serve from the May 5, 2018, election until the May 7, 2022, Directors Election. Following review and discussion, Director Vrshek moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office. The motion was seconded by Director Fyfe and passed unanimously.

Ms. Humphries discussed that the Board had approved entering into a contract with Fort Bend County (the "County") to administer the District's 2018 Directors

Election. After discussion, Director Vrshek moved to cancel the contract with the County for election services for the May 2018 Directors Election. Director Fyfe seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Peak discussed a proposed \$5,000,000 bond issue to sell in the last quarter of 2018. After discussion, the Board directed the engineer to begin to prepare the bond application.

Ms. Peak presented and reviewed a 2018 Tax Rate/Homestead Analysis/Over 65 Analysis, a copy of which is attached. After review and discussion, the Board concurred to table action on the tax exemption item until its next meeting.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") ATTENDANCE AT SUMMER CONFERENCE

After discussion, Director Vrshek moved to authorize interested directors to attend the AWBD summer conference. Director Fyfe seconded the motion, which passed unanimously.

REPORTS FROM BOARD MEMBERS ON ATTENDANCE AT CONFERENCES, SPECIAL MEETINGS AND/OR SEMINARS, INCLUDING FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6 ("LID 6") MEETINGS

Discussion ensued regarding hosting the District's annual "MUD 101" information meeting in May, 2018. Discussion also ensued regarding attending the Fort Bend County Infrastructure Conference on June 28, 2018. After discussion, Director Vrshek moved to authorize interested directors to attend the Fort Bend County Infrastructure Conference. Director Fyfe seconded the motion, which passed unanimously.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

| | Minutes |
|---|-------------|
| | <u>Page</u> |
| Bookkeeper's report..... | 2 |
| Tax assessor/collector's report | 2 |
| Operator's report..... | 2 |
| Preliminary Statement of Probable Construction Costs for Construction of Sidewalk Along FM 762 | 3 |
| Proposal from Off Cinco | 4 |
| 2018 Tax Rate/Homestead Analysis/Over 65 Analysis | 5 |