

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

October 14, 2021

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 165 (the "District") met in regular session, open to the public, on the 14<sup>th</sup> day of October, 2021 at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

William "Mac" McKinnie	President
Rick Garcia	Vice President
Matt Moake	Secretary
Vacant	Assistant Vice President
Avery Bidmead	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also attending the meeting in person or by teleconference were Corporal Jeffrey Taynan of Fort Bend County Precinct No. 4 Constable's Office ("Precinct 4"); Brenda Garcia and Matthew Norton of Municipal Accounts & Consulting, L.P.; Brian Toldan of McCall Gibson Swedlund Barfoot PLLC; Stephanie Lee of KGA/DeForest Design, LLC ("KGA"); Shammarie Leon of Bob Leared Interests, Inc.; Charlie Chapline of Municipal District Services ("MDS"); Lyndsay Evans of Jones & Carter, Inc. ("J&C"); and Hannah Brook, Whitney Higgins, and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the September 9, 2021, regular meeting. Following review and discussion, Director McKinnie made a motion to approve the minutes as written. Director Moake seconded the motion. The motion passed unanimously with all Directors voting in favor of the motion.

PUBLIC COMMENT

Ms. Brook offered any members of the public attending the meeting by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, Ms. Brook moved to the next agenda item.

ACCEPT RESIGNATION OF DIRECTOR HULBERT AND DISCUSS APPOINTMENT OF NEW DIRECTOR

Ms. Brook presented Director Hulbert's resignation from the Board. After discussion, Director Garcia moved to accept Director Hulbert's resignation. Director McKinnie seconded the motion, which passed by unanimous vote.

SECURITY MATTERS AND FIRE PROTECTION SERVICE

Corporal Taynan presented and reviewed a security report and a traffic report from Precinct 4 for the month of September, copies of which are attached.

The Board discussed traffic matters with Corporal Taynan and the potential addition of solar radar signs at the intersections of South Mason Road and Victoria Bay and South Mason Road and Sandstone Cavern.

APPROVE AUDIT FOR FISCAL YEAR END JUNE 30, 2021

Mr. Toldan presented and reviewed the audit for the fiscal year ended June 30, 2021. Following review and discussion, Director McKinnie made a motion to approve the audit, subject to final review by the District's consultants, and to authorize filing of the same. Director Garcia seconded the motion. The motion passed unanimously with all Directors voting in favor of the motion.

APPROVE DEVELOPER REIMBURSEMENT REPORT AND AUTHORIZE DISBURSEMENT OF SURPLUS FUNDS

Mr. Toldan presented and reviewed the Supplemental Developer Reimbursement Report (the "Report") a copy of which is attached, for the disbursement of surplus operating funds to Fieldstone (Houston) AASLI VI, LLLP ("Fieldstone Houston").

Mr. Toldan requested the Board's authorization to disburse the District's surplus maintenance tax funds to Fieldstone (Houston) AASLI VI, LLLP ("Fieldstone Houston") in the amount of \$52,548.94.

Following review and discussion, Director McKinnie moved to (1) approve the Report; (2) direct that the Report be filed appropriately and retained in the District's official records; and (3) authorize the disbursement of \$52,548.94 to Fieldstone Houston. Director Moake seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, budget comparisons, bills presented for payment, the investment report from the reporting

period, and the quarterly investment report for approval. Copies of the bookkeeper's report and the investment report are attached to the bookkeeper's report.

Ms. Garcia stated the District received a Winter Storm Freeze Credit from the North Fort Bend Water Authority ("Authority") in the amount of \$488.75. She also confirmed that she will remove Director Hulbert from and add Director Bidmead to the bookkeeper's contacts for the members of the Board.

Following review and discussion, Director McKinnie made a motion to (1) approve the bookkeeper's report and investment reports; and (2) pay the District's bills as submitted. Director Moake seconded the motion, which passed unanimously.

### PARK AND RECREATIONAL MATTERS

Ms. Lee distributed and reviewed a report regarding landscaping projects in the District, a copy of which is attached.

Ms. Lee stated KGA is designing concepts and layouts for Amenity Improvements for five disc golf baskets, a gathering area by the recreation center pond, and a playground by the pipeline easement. Directors Garcia and Bidmead asked Ms. Lee to coordinate a walk-through of the area with them the week of October 17, 2021.

Ms. Lee updated the Board regarding construction of the County Live Oak Improvement Project and stated final paperwork from the contractor is pending.

Ms. Lee updated the Board regarding construction of the Splashpad and Playground Improvement Project and stated the project is substantially complete. Ms. Lee then reviewed and recommended approval of Pay Estimate No. 11 in the amount of \$24,067.53, payable to Stone Castle Constructors, LLC ("Stone Castle"). Ms. Lee also reviewed and recommended approval of Pay Estimate No. 12 and Final in the amount of \$15,016.30, payable to Stone Castle. She presented a Certificate of Completion and Acceptance and recommended the Board accept the facilities.

Following review and discussion, Director McKinnie made a motion to (1) approve the KGA report; (2) based on the landscape architect's recommendation, to approve Pay Estimate No. 11 in the amount of \$24,067.53 to Stone Castle; and (3) based on the engineer's recommendation, to approve Pay Estimate No. 12 and Final in the amount of \$15,016.30, and to accept the facilities. Director Garcia seconded the motion, which carried unanimously.

### TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Leon distributed and reviewed the tax report, including a list of delinquent accounts, a copy of which is attached. She stated 99.533% of the District's 2020 taxes were

collected as of September 30, 2021. Ms. Leon then reviewed the Delinquent Tax Report with the Board. After review and discussion, Director McKinnie moved to approve the tax report and the checks presented for payment. Director Garcia seconded the motion, which passed by unanimous vote.

#### OPERATION OF DISTRICT FACILITIES

Mr. Chapline presented and reviewed the operator's report and the storm water management report and updated the Board on repairs and maintenance in the District for the month of July. Mr. Chapline presented four accounts in the amount of \$909.67 recommended to be written off and sent to collections.

Mr. Chapline presented and reviewed a 2021 Larry's Toolbox Key Performance Indicators chart, a copy of which is attached to the operator's report.

Mr. Chapline updated the Board regarding Authority matters and reviewed a Notice of Preliminary 2022 Fees, a copy of which is attached. He stated the Authority anticipates increasing the Groundwater Reduction Plan Fee to \$4.55 per 1,000 gallons and increasing the Surface Water Fee to \$4.90 per 1,000 gallons.

Mr. Chapline reviewed a Fire Hydrant Inspection Report and requested the Board's authorization to repair and install reflectors on certain fire hydrants and waterblast and paint all the fire hydrants in the District in the total amount of \$10,313.80.

Mr. Chapline presented the Phase III residential sidewalk repair proposal to the Board. The Board concurred to defer further residential sidewalk repairs until 2022.

Mr. Chapline reviewed updates made to the District's Rate Order, including the updates of Exhibit "C", regarding the Texas Commission on Environmental Quality's ("TCEQ") Backflow Prevention Assembly Test and Maintenance Report, and Exhibit "E", the TCEQ's Customer Service Inspection Certificate.

Ms. Brook reviewed a memorandum with the Board regarding legislative changes to Section 182.052, Utilities Code, relating to confidentiality of certain personal and billing information of utility customers, a copy of which is attached. She said such information must be kept confidential, with certain exceptions, unless the customer requests disclosure. Ms. Brook discussed the requirement for the District to provide notice of the customer's right to request disclosure, along with a request form, by including the notice and form with the utility bills sent to customers. Mr. Chapline confirmed that MDS received the required notice and form language from ABHR for inclusion on the utility bills.

Mr. Chapline discussed matters regarding the water supply to the District's splashpad. Ms. Lee confirmed that the water supply to the splashpad is not supplied by

a recirculating water system. Mr. Chapline recommended that MDS inspect the splashpad's water supply system on a weekly basis while it is in service.

Director Bidmead asked Mr. Chapline to investigate standing water at Rollingstone Road and Stoneroses Trail. Mr. Chapline stated that MDS found no issues with the facilities in the area in a previous inspection, adding that MDS and J&C will investigate the area once more.

#### HEARING ON TERMINATION OF WATER SERVICE

Mr. Chapline presented to the Board a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

Following review and discussion, Director McKinnie made a motion to (1) approve the operator's report; (2) repair the fire hydrants in the amount of \$10,313.80; (3) adopt the Amended Rate Order and direct it be provided to the District's operator and retained in the District's official records; (4) approve four accounts for write off in the amount of \$909.67; and (5) authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Garcia seconded the motion, which passed unanimously.

#### ENGINEERING MATTERS

Ms. Evans distributed and reviewed the District's engineering report, a copy of which is attached.

Ms. Evans updated the Board regarding the 2021 Sanitary Sewer Cleaning and Televising Project and stated the contractor anticipates mobilizing the week of the Board meeting.

Ms. Evans stated Grand Mission Municipal Utility District No. 1 ("GMM1") received and approved invoice nos. 21621, 21710, 21915, and 21918 from CDC Unlimited, LLC ("CDC"), in the total amount of \$18,874.00, of which the District's share is \$1,749.50.

Ms. Evans stated CDC provided a quote in the amount of \$26,000.00 to repair three slope failures and a sinkhole in the regional detention facility. Ms. Evans stated that two of the slopes have deteriorated further, and CDC requested another inspection with J&C to determine remediation of the slope failures. She stated that GMM1's engineer estimated the cost to repair the two slopes will exceed \$75,000 and will require a public

bid. Ms. Evans stated that GMM1's engineer is preparing a scope memo and cost estimate that she will present at next month's Board meeting.

Ms. Evans stated GMM1 met with CenterPoint Energy ("CenterPoint") on site to discuss standing water behind Bradford Park.

Ms. Evans updated the Board regarding the status of reports related to America's Water Infrastructure Act.

Ms. Evans stated GMM1 is working with that District's operator to schedule water plant inspections, and J&C anticipates presenting the inspection report at the December Board meeting.

Ms. Evans stated that the contractor for the Grand Mission Wastewater Treatment Plant Expansion installed a longer mixing shaft on the magnesium hydroxide tank at Fort Bend County Municipal Utility District No. 143's lift station as part of the remaining punch list items. She stated GMM1 will present the final pay estimate after all punch list items are complete.

Ms. Evans stated Fencecrete is nearing completion of the fence at the wastewater treatment plant. Ms. Evans stated GMM1 received and approved Pay Estimate Nos. 3 and 4 in the total amounts of \$39,506.40 and \$15,138.00, of which the District's share of the these pay estimates is \$6,984.73 and \$2,676.40, respectively.

Ms. Evans then discussed the Multi-Sector General Permit ("MSGP") and stated GMM1 is working on an updated Storm Water Pollution Prevention Plan ("SWPPP") and Notice of Intent for the SWPPP permit renewal to be submitted by the November 12, 2021 deadline.

Director Garcia asked Ms. Evans to investigate an area holding water near the CenterPoint easement.

Following review and discussion, Director McKinnie moved to (1) approve the engineer's report; (2) based on the engineer's recommendation, to concur with GMM1's approval of invoice nos. 21621, 21710, 21915, and 21918 from CDC, of which the District's share is \$1,749.50; and (3) based on the engineer's recommendation, to concur with GMM1's approval of Pay Estimate Nos. 3 and 4, of which the District's share is \$6,984.73 and \$2,676.40, respectively. Director Garcia seconded the motion, which passed unanimously.

#### DRAINAGE FACILITIES REPORT

The Board received a drainage facilities report.

GARBAGE AND RECYCLING COLLECTION

There was no discussion regarding this agenda matter.

DISTRICT WEBSITE

Director Garcia stated he is working with InMode Interactive to obtain all required information to post on the website. Ms. Brook asked Director Garcia to follow up with Mr. DeLeon regarding ABHR's receipt of his executed Service Agreement.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no further discussion regarding this agenda matter.

ATTORNEY'S REPORT

There was no discussion regarding this agenda matter.

MEETING SCHEDULE

The Board concurred to hold its next meeting on November 11, 2021, at 9:00 a.m. at the offices of ABHR.

REPORTS FROM DIRECTORS AND CONSULTANTS REGARDING PENDING DISTRICT BUSINESS AND OUTSTANDING ITEMS

There was no discussion regarding this agenda matter.

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



Secretary, Board of Directors



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