

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

February 10, 2022

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 10th day of February, 2022 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
Avery Bidmead	Assistant Vice President
Christine Oliver	Assistant Secretary

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

Also attending the meeting in person or by teleconference were Commissioner DeMerchant and Ahmad Alaswad of Fort Bend County Precinct 4 ("Precinct 4"); Constable Nabil Shike, Sergeant Mark Harrison, Lieutenant Don Dinh, and Chief Jimmy Evans of Fort Bend County Precinct 3 ("Precinct 3"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; Stephanie Lee of KGA/DeForest Design, LLC; Shammarie Leon of Bob Leared Interests, Inc.; Greg Lentz and Ben Terry of Masterson Advisors, LLC; Charlie Chapline and Austin Muse of Municipal District Services ("MDS"); Lyndsay Evans of Jones & Carter, Inc.; and Whitney Higgins and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the January 13, 2022, regular meeting. Following review and discussion, Director Garcia made a motion to approve the minutes as written. Director Oliver seconded the motion, which passed unanimously.

PUBLIC COMMENT

Director McKinnie offered any members of the public attending the meeting by telephone or in person the opportunity to make public comment. Precinct 3 and Precinct 4 representatives introduced themselves to the Board and discussed general security matters. Following comments by Precinct 3 and Precinct 4 representatives, Director McKinnie moved to the next agenda item.

2022 DIRECTORS ELECTION

Ms. Higgins discussed procedures related to the 2022 Directors Election. She reviewed an Order Calling Directors Election for May 7, 2022 (the "Order Calling").

Ms. Higgins discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Fort Bend County.

Following review and discussion, Director Garcia moved to (1) adopt the Order Calling; and (2) authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required, and to direct that the Notice be filed appropriately and retained in the District's official records. Director Oliver 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 which are attached to the bookkeeper's report. Ms. Garcia noted handwritten check no. 5107 on the general operating account in the amount of \$85,031.76 to Fieldstone Community Association (the "HOA") for landscape maintenance.

ASSOCIATION OF WATER BOARD DIRECTORS

The Board discussed the Association of Water Board Directors winter conference. The Board then considered authorizing attendance at the summer conference.

Following review and discussion, Director Garcia made a motion to (1) approve the bookkeeper's report and investment report; (2) pay the District's bills as submitted; and (3) authorize attendance of any interested Directors at the summer conference. Director Moake seconded the motion, which passed by unanimous vote.

PARK AND RECREATIONAL MATTERS

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

RECREATIONAL FACILITY IMPROVEMENTS PROJECTS ("RECREATIONAL IMPROVEMENTS")

Ms. Lee reviewed the plans and specifications for the Recreational Improvements project, an opinion of probable cost, and options to reduce the opinion of probable cost, and requested the Board authorize her to advertise for

bids for the construction of the project. Discussion ensued. After further review and discussion, Director Garcia made a motion to approve the plans and specifications for the Recreational Improvements at the reduced opinion of probable cost in the amount of \$374,507.96. Director Oliver seconded the motion, which passed 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 96.238% of the District's 2021 taxes were collected as of the meeting date. After review and discussion, Director Garcia moved to approve the tax report and the checks presented for payment. Director Oliver seconded the motion, which passed by unanimous vote.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Lentz introduced Mr. Terry to the Board. Ms. Higgins then discussed the Resolution Concerning Exemptions from Taxation with the Board. She explained that the Board can grant various exemptions including a general homestead exemption and a homestead exemption for residents over the age of 65 or disabled. She reminded the Board that it currently offers a \$20,000 homestead exemption for residents over the age of 65 or disabled. After review and discussion, Director Garcia moved that the Board adopt the Resolution Concerning Exemptions from Taxation, granting a homestead exemption in the amount of \$20,000 of the appraised value of the homestead property for residents over the age of 65 or disabled. Director Oliver seconded the motion, which carried unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Muse 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 January. Mr. Muse presented two accounts in the total amount of \$337.76 recommended to be written off and sent to collections.

Mr. Muse requested the Board's authorization to begin the Phase III sidewalk repairs in the amount of \$56,132.00

Mr. Muse presented and reviewed the North Fort Bend Water Authority's (the "Authority") 2022 Water Provider Conservation Program ("WPCP") Enrollment Form. Mr. Muse requested the Board's authorization to complete the enrollment form and submit it to the Authority.

Mr. Muse presented and reviewed the Water Usage Reporting Form and requested the Board's authorization to complete and submit the form to the Authority.

AMEND RATE ORDER

Ms. Higgins discussed recently enacted legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that become due during a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. She presented a proposed Amended Rate Order incorporating such provisions.

HEARING ON TERMINATION OF WATER SERVICE

Mr. Muse 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.

After review and discussion, Director Moake moved to (1) approve the operator's report; (2) authorize MDS to write off two accounts; (3) begin the Phase III sidewalk repairs; (4) complete the WPCP form and submit it to the Authority; (5) complete the Water Usage Reporting Form and submit it to the Authority; (6) adopt the Amended Rate Order; and (7) 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 construction of the 2021 Sanitary Sewer Cleaning and Televising project and reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$30,929.98, payable to Source Point Solutions, LLC ("Source Point").

DEEDS, EASEMENTS, AND PLATS

Ms. Evans presented a 0.1377-acre reserve restricted to drainage purposes and a 0.0835-acre reserve restricted to landscape purposes for conveyance to the District, copies of which are attached to the engineering report.

Following review and discussion, Director Moake moved to (1) based on the engineer's recommendation, approve Pay Estimate No. 1 in the amount of \$30,929.98; and (2) approve and authorize acceptance of the reserves. Director Garcia seconded the motion, which carried unanimously.

DRAINAGE FACILITIES REPORT

The Board received a drainage facilities report, a copy of which is attached.

GARBAGE AND RECYCLING COLLECTION

There was no discussion regarding this agenda matter.

DISTRICT WEBSITE

Director Garcia updated the Board regarding website matters.

AUTHORITY MATTERS

There was no further discussion regarding this agenda matter.

ATTORNEY'S REPORT

Ms. Higgins reviewed the Arbitrage Rebate Report for Series 2016 bonds which was prepared by OmniCap Group ("OmniCap"). She stated that OmniCap has determined that the District does not owe any rebate or yield reduction payments for the bond issue.

Ms. Higgins presented and reviewed a Cost Sharing Agreement ("CSA") Regarding Landscape Maintenance By and Between the District and the HOA. After review and discussion, Director Garcia moved to approve the CSA. Director Oliver seconded the motion, which passed unanimously.

SECURITY MATTERS AND FIRE PROTECTION SERVICE

The Board received a security report and a traffic report from Precinct 4 for the month of January, copies of which are attached.

Discussion ensued regarding law enforcement services, staffing levels, and the Interlocal Agreement regarding the same.

MEETING SCHEDULE

The Board concurred to hold its next meeting on March 10, 2022, 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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