

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

June 9, 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 9th day of June, 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
Vacant	Vice President
Matt Moake	Secretary
Avery Bidmead	Assistant Vice President
Christine Oliver	Assistant Secretary

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

Also attending the meeting in person or by teleconference were Lieutenant Martin Garret and Deputy Zachary Allard of Fort Bend County Precinct 3 ("Precinct 3"); Brenda Garcia and Darrell Hawthorne of Municipal Accounts & Consulting, L.P. ("MAC"); Stephanie Lee of KGA/DeForest Design, LLC; Shammari Leon of Bob Leared Interests, Inc.; Dana Hollingsworth of Municipal District Services ("MDS"); Lisa Bonham of Quiddity Engineering, LLC ("Quiddity"); Dane Turner of Best Trash, LLC ("Best Trash"); and Whitney Higgins and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 12, 2022, regular meeting. Following review and discussion, Director Moake made a motion to approve the minutes as written. Director Bidmead seconded the motion, which passed unanimously.

PUBLIC COMMENT

Director McKinnie offered any members of the public attending the meeting the opportunity to make public comment.

Ms. Higgins reported on public correspondence received.

Director McKinnie moved to the next agenda item.

SECURITY MATTERS AND FIRE PROTECTION SERVICE

Lieutenant Garret then presented and reviewed a security report and a traffic report from Precinct 3 for the month of May, copies of which are attached. Discussion ensued regarding an additional deputy to patrol the District until the annual Interlocal Agreement with Fort Bend County for Additional Law Enforcement Services goes into effect on October 1, 2022.

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. 5787 in the amount of \$751.00 to Charter Title Company on the general operating account. Ms. Garcia reported on the amount of surplus bond funds available.

Ms. Garcia presented and reviewed the District's proposed budget for the fiscal year end June 30, 2023, which is included in the bookkeeper's report. Ms. Garcia stated that she will present the proposed master district budgets at the July Board meeting.

Mr. Hawthorne presented and reviewed a Second Amended and Restated Agreement for Bookkeeping Services between MAC and the District to reflect a tiered hourly rate arrangement for bookkeeping services, a monthly increase for accounting services, the transfer of all payroll services to a third-party payroll provider, and new bookkeeping reporting software.

Following review and discussion, Director Moake made a motion to (1) approve the bookkeeper's report and investment report; (2) pay the District's bills as submitted; (3) approve handwritten check no. 5787 in the amount of \$751.00; (4) adopt the District's budget for the fiscal year ending June 30, 2023; and (5) approve the Second Amended and Restated Agreement for Bookkeeping Services. Director Bidmead 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.

RECREATIONAL FACILITY IMPROVEMENTS PROJECTS ("RECREATIONAL IMPROVEMENTS")

Ms. Lee stated that one bid was received in the base bid amount of \$597,915.45 for the Recreational Improvements. Ms. Lee stated that the

preliminary construction estimate was approximately \$388,000.00. Discussion ensued. The Board concurred to defer action on the matter.

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 99.1% of the District's 2021 taxes were collected as of the meeting date.

Ms. Higgins stated the Board can authorize the delinquent tax attorney to proceed with the collection of delinquent real property taxes that are delinquent as of July 1, 2022.

Following review and discussion, Director Moake made a motion to (1) approve the tax assessor/collector's report; (2) pay the bills presented for payment from the tax account; and (3) authorize the delinquent tax attorney to begin collection of delinquent property taxes. Director Bidmead seconded the motion, which carried unanimously.

OPERATION OF DISTRICT FACILITIES

Ms. Hollingsworth 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 May.

Ms. Hollingsworth stated that the operator completed section 3 sidewalk repairs.

Ms. Hollingsworth presented and reviewed a flyer regarding summer watering from the North Fort Bend Water Authority, a copy of which is attached to the operator's report.

Ms. Hollingsworth presented and reviewed a Beacon SAAS Managed Solution Master Agreement ("MSA") between Badger Meter, Inc. ("Badger") and the District for smart meters and a portal to provide metering and water usage service information and documentation to the District's residents as more fully described in the MSA. A copy of the MSA is attached.

HEARING ON TERMINATION OF WATER SERVICE

Ms. Hollingsworth 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) approve the MSA between Beacon and the District; and (3) 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 Bidmead seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

Ms. Bonham stated that Grand Mission Municipal Utility District No. 1 ("GMM1") received bids for two sink holes at the Regional Detention Pond on June 7, 2022.

Ms. Bonham stated that GMM1 held the Wastewater Treatment Plant Expansion project's one-year inspection and that the contractor is addressing punch list items.

Ms. Bonham reported on Wastewater Treatment Plant ("WWTP") matters and stated that GMM1 inspected the WWTP and is updating the Capital Improvement Plan.

Ms. Bonham stated that the topographic survey along Stonerose's trail is complete and that the operator is completing the proposed grading of the right-of-way at the site. Ms. Bonham stated that Quiddity will contact Director Bidmead when the work at the park in the reserve begins. Ms. Hollingsworth stated that MDS is working with Quiddity to gather information on project costs.

Ms. Bonham presented and reviewed a scope memo in the amount of \$5,000.00 to prepare a Surplus Funds Application to the Texas Commission on Environmental Quality.

Ms. Higgins presented and reviewed a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Use of Surplus Bond Funds (the "Resolution").

Following review and discussion, Director Moake moved to (1) approve the engineer's report; (2) authorize Quiddity to prepare a scope memo in the amount of 5,000.00; and (3) adopt the Resolution. Director Bidmead seconded the motion, which carried unanimously.

DRAINAGE FACILITIES REPORT

The Board received a drainage facilities report, a copy of which is attached. Discussion ensued regarding the ownership of a reserve in the District. Ms. Bonham stated that she will investigate the matter and report back to the Board at the July meeting.

GARBAGE AND RECYCLING COLLECTION, INCLUDING REVIEW OF ANNUAL
CPI ADJUSTMENT LETTER

Mr. Turner reviewed an annual adjustment letter from Best Trash, which reflects an increase of 4.6% in the collection rate, effective June 1, 2022, from \$18.77 to \$19.63 per month per residence. A copy of the annual adjustment letter is attached. Discussion ensued regarding exchanging recycling bins for recycling carts. The Board requested that Mr. Turner prepare a proposal for recycling carts for presentation to the Board at the July meeting. Mr. Turner then stated that Best Trash will most likely request a fuel recovery fee from the District if the cost for diesel fuel continues to increase. After review and discussion, Director Moake moved to accept the annual adjustment letter. Director Bidmead seconded the motion, which carried unanimously.

DISTRICT WEBSITE

The Board concurred to request additional proposals for website services for consideration at the July Board meeting.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no further discussion regarding this agenda matter.

ATTORNEY’S REPORT

Ms. Higgins stated the District’s insurance policies with Harco Insurance Services (“Harco”) will expire on August 4, 2022. Ms. Higgins then distributed and reviewed a renewal proposal for the District’s insurance policies received by ABHR from Harco with a proposed annual premium of \$11,340.00. Discussion ensued regarding premium discounts for the Directors Bond and the Consultant’s Fidelity policies. The Board concurred to have a representative from Harco come to the July Board meeting to discuss locking in rates for all of the District’s insurance policies for three years at a discounted rate.

AUTHORIZE AUDITOR TO PREPARE AUDIT

Ms. Higgins stated the District has an evergreen contract with McCall Gibson Swedlund Barfoot, PLLC to prepare the District’s annual financial reports, developer reimbursement reports, and audit related services for the District. The Board considered authorizing the auditor to prepare the audit for the fiscal year ending June 30, 2022. Following review and discussion, Director Moake moved to authorize the auditor to begin preparation of the audit. Director Bidmead seconded the motion, which passed unanimously.

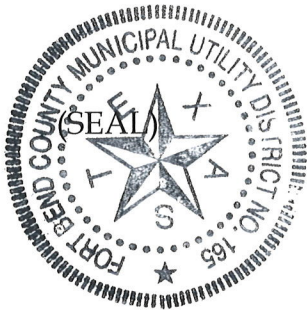
MEETING SCHEDULE

The Board concurred to hold its next meeting on July 14, 2022, at 9:00 a.m. at the offices of ABHR.

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

The Board then discussed filling the vacancy on the Board and requested that the matter be placed on the meeting agendas in August and September.

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





Secretary, Board of Directors

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