

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

July 14, 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 14th day of July, 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, thus constituting a quorum.

Also attending the meeting in person were Mary Hoang and Andy Do, residents of the District; Chief Jimmy Evans and Lieutenant Martin Garret of Fort Bend County Precinct 3 ("Precinct 3"); Corrie Aday of HARCO Insurance Services ("HARCO"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; Shammari Leon of Bob Leared Interests, Inc.; Austin Muse of Municipal District Services ("MDS"); Lyndsay Evans of Quiddity Engineering, LLC ("Quiddity"); David Beyer of Storm Water Solutions, LLC; and Whitney Higgins and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 9, 2022, regular meeting. Following review and discussion, Director Oliver made a motion to approve the minutes as written. Director Moake 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. Hoang and Mr. Do addressed the Board regarding a District-owned tract of land behind their home. Ms. Hoang and Mr. Do left the meeting.

Director McKinnie then moved to the next agenda item.

SECURITY MATTERS AND FIRE PROTECTION SERVICE

Lieutenant Garret presented and reviewed a security report and a traffic report from Precinct 3 for the month of June, copies of which are attached.

Chief Evans updated the Board regarding contractual matters between the District and Precinct 3 and requested a letter of support.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Aday presented and reviewed a renewal proposal for the District's insurance policies from Harco with a proposed annual premium of \$11,340.00. Ms. Aday stated that the only policies that offer a three-year term are for the Directors Bond, the Consultants Fidelity Bond, and the optional Travel Accident Benefits. She explained that the other policies in the renewal proposal are required to be updated and re-rated every twelve months. After review and discussion, Director Oliver moved to (1) accept the renewal proposal; (2) approve the three-year premium policy option for the Directors Bond in the amount of \$324.00; and (3) approve the three-year premium policy option for the Consultants Fidelity Bond in the amount of \$303.00. Director Bidmead 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 stated that Grand Mission Municipal Utility District No. 1 ("GMM1") will amend the budget for the regional facilities before the District's August Board meeting. After discussion, the Board concurred to review the master district budgets for the regional facilities in August and possibly amend the budget at that time.

Ms. Garcia discussed the Association of Water Board Directors ("AWBD") summer conference. She stated that the winter conference will be held in Austin, Texas from January 27 - 28, 2023.

Following review and discussion, Director Bidmead made a motion to (1) approve the bookkeeper's report and investment report; (2) pay the District's bills as submitted; and (3) authorize any interested Directors to attend the AWBD winter conference. Director Moake seconded the motion, which passed unanimously.

PARK AND RECREATIONAL MATTERS

There was no discussion regarding this agenda 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 99.339% of the District's 2021 taxes were collected as of the meeting date. Following review and discussion, Director Oliver made a motion to (1) approve the tax assessor/collector's report; and (2) pay the bills presented for payment from the tax account. Director Moake seconded the motion, which carried unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2022 TAX YEAR

Ms. Higgins discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2022 tax year.

Following review and discussion, Director Moake moved to adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developed district for the 2022 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Oliver seconded the motion, which passed 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 June.

Mr. Muse requested the Board's authorization to replace the check valves on lift pumps no. 1 and 2 and to replace the air relief valve for lift station no. 1 in the total amount of \$14,234.00

Mr. Muse updated the Board regarding drainage in a District-owned reserve along Stone Roses Trail. Mr. Muse presented and reviewed an estimate from Torres Construction & Irrigation, LLC ("Torres") to re-grade the area, replace sidewalk panels, and restore sod in the amount of \$31,392.10. Ms. Evans confirmed that the drains in the area had been cleaned and one round of re-grading the area had been performed.

Mr. Muse reported that the North Fort Bend Water Authority (the "Authority") implemented Stage 1 of its Drought Contingency Plan ("DCP") which requests that customers voluntarily reduce water consumption. Mr. Muse requested the Board's authorization to place two signs in the District to inform customers that Stage 1 of the DCP has been implemented. Mr. Muse stated that the Authority will continue to monitor water use and will provide another notice if the drought stage changes or if Stage 1 drought conditions have been lifted.

The Board discussed amending the Rate Order to reflect an increase of 4.6% in the garbage and recycling collection rate, from \$18.77 to \$19.63 per month.

Mr. Muse requested the Board's authorization to send five accounts to collections in the amount of \$897.28.

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 Oliver moved to (1) approve the operator's report; (2) authorize MDS to replace the check valves and to replace the air relief valve in the total amount of \$14,234.00; (3) to approve the estimate from Torres to re-grade and re-sod the reserve along Stone Roses Trail in an amount not to exceed \$13,000.00; (4) amend the Rate Order; (5) authorize MDS to send five accounts to collections in the amount of \$897.28; and (6) 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. Evans distributed and reviewed the District's engineering report, a copy of which is attached.

Ms. Evans noted GMM1 approved two invoices in the total amount of \$4,409.00 payable to CDC Unlimited, LLC ("CDC"), of which the District's share is \$874.75.

Ms. Evans stated that GMM1 awarded the contract for the Regional Detention Pond Rehabilitation Project to Sterling Site Services in the amount of \$153,861.50.

Ms. Evans stated that the draft Surplus Funds Application is under review.

Ms. Evans stated that the request for two radar signs was submitted to Fort Bend County (the "County") and that the County is drafting an interlocal agreement.

Ms. Evans updated the Board regarding standing water in a District-owned reserve adjacent to two pipeline easements and one CenterPoint easement. Ms. Evans stated that the District will coordinate with the easement owners to work to remediate the issue. Ms. Evans stated that she will update the Board regarding the matter at the August meeting.

Following review and discussion, Director Oliver moved to (1) approve the engineer's report; and (2) based on the engineer's recommendation, to concur with GMM1's approval of two CDC invoices for the maintenance of the regional detention facilities. Director Bidmead seconded the motion, which carried unanimously.

DRAINAGE FACILITIES REPORT

Mr. Beyer presented and reviewed a drainage facilities report, a copy of which is attached. Mr. Beyer reported on a sinkhole forming and erosion issues at the District's drainage channel. Mr. Beyer stated that he will coordinate with Quiddity to prepare an estimate for the repairs for the Board's review at the August meeting.

GARBAGE AND RECYCLING COLLECTION

The Board requested that Best Trash, LLC prepare a proposal for recycling carts for presentation to the Board at the August meeting.

DISTRICT WEBSITE

The Board concurred to defer this matter until the August meeting.

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 August 11, 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 discussed filling the vacancy on the Board and requested that the matter be placed on the meeting agendas in August and September.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO SEEK THE ADVICE OF ITS ATTORNEY REGARDING PENDING OR CONTEMPLATED LITIGATION OR TO SEEK AND RECEIVE LEGAL ADVICE BY THE DISTRICT'S ATTORNEY

The Board convened in executive session at 10:15 a.m. pursuant to Section 551.071, Texas Government Code.

RECONVENE IN OPEN SSESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION OR THE LEGAL ADVICE BY THE DISTRICT'S ATTORNEY

The Board reconvened in open session at 10:30 a.m. No action was taken in open session.

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


Secretary, Board of Directors



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