

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

August 11, 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 11th day of August, 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 Kurt Van Order a resident of the District; Mr. Andrew Van Chou, Lieutenant Martin Garret, and Sergeant Jennifer Martinez of Fort Bend County Precinct 3 ("Precinct 3"); Mr. Ahmad Alaswad, Constable Michael Beard, and Lieutenant Cory Hansen of Fort Bend County Precinct 4 ("Precinct 4"); Jennifer Abad of Municipal Accounts & Consulting, L.P.; Shammari Leon of Bob Leared Interests, Inc.; Greg Lentz of Masterson Advisors, LLC ("Masterson"); Austin Muse of Municipal District Services ("MDS"); Lyndsay Evans of Quiddity Engineering, LLC ("Quiddity"); Garrett Robertson of Storm Water Solutions, LLC ("SWS"); and Whitney Higgins and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the July 14, 2022, regular meeting. Following review and discussion, Director Oliver made a motion to approve the minutes as written. Director Bidmead seconded the motion, which passed unanimously.

SECURITY MATTERS AND FIRE PROTECTION SERVICE, AND AMEND RATE ORDER

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

Discussion ensued regarding redistricting in Fort Bend County, and it was noted that the District is now under the jurisdiction of Precinct 4. Constable Beard presented and reviewed a sample Precinct 4 security report with the Board. Constable Beard then

presented and reviewed a Fort Bend County Constable Contract Deputy Budget Proposal (the "Budget Proposal") for the twelve-month period of October 1, 2022 through September 30, 2023, estimated at \$219,420.00 annually, which would be \$18,290.00 monthly, with Precinct 4 for the term October 1, 2022 through September 30, 2023. Discussion ensued regarding contracting with Precinct 3 or Precinct 4 for the contract deputy program.

Mr. Van Chou, Lieutenant Garret, Sergeant Martinez, Mr. Alaswad, Constable Beard, and Lieutenant Hansen left the meeting.

Ms. Higgins reviewed a letter from the City of Richmond (the "City"), a copy of which is attached, stating the City will increase the District's fire protection service fee from \$12.80 to \$13.86 per household effective October 1, 2022, based upon the Consumer Price Index for all Urban Consumers ("CPI-U").

Following review and discussion, the Director Oliver moved to (1) accept the City's CPI-U Fire Protection Fee increase; (2) authorize the amendment of the District's Rate Order to reflect the 2022 fire protection service fee; and (3) approve the Contract Deputy Program with Precinct 4 and authorize ABHR to submit the Budget Proposal to Precinct 4. Director Bidmead seconded the motion. The motion passed unanimously with all Directors voting in favor of the motion.

PUBLIC COMMENT

Director McKinnie offered any members of the public attending the meeting the opportunity to make public comment. Mr. Van Order introduced himself to the Board and expressed interest in being appointed to the Board to fill the current vacancy. Director McKinnie then moved to the next agenda item.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Abad 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.

Discussion ensued regarding the status of the Master District/Regional Facilities' budgets (the "Budgets") for the fiscal year end June 30, 2023. Ms. Abad confirmed that Grand Mission Municipal Utility District No. 1 approved the Budgets and budgeted costs for the regional facilities had increased by \$242,000.00. Ms. Higgins stated that the Board has 45 days to review the Budgets prior to adopting the Budgets. Further action on this matter was deferred until the September Board meeting.

Following review and discussion, Director Bidmead made a motion to (1) approve the bookkeeper's report and investment report; and (2) pay the District's bills as submitted. Director Oliver 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 99.4% of the District's 2021 taxes were collected as of the meeting date. Following review and discussion, Director Bidmead 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 Oliver seconded the motion, which carried unanimously.

DISCUSS 2022 TAX RATE

The Board considered the District's 2022 tax rate. Mr. Lentz distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2022 water, sewer, and drainage debt service tax rate of \$0.550 per \$100 of assessed valuation, based on the District's initial 2022 certified value of \$453,150,000, plus \$4,100,000 representing 90% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Lentz discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Oliver moved to: (1) set the public hearing date for September 8, 2022; and (2) authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the District's meeting on September 8, 2022, to set the proposed 2022 total tax rate of \$1.030 per \$100 of assessed valuation, with \$0.550 allocated for debt service on water, sewer, and drainage bonds and \$0.480 allocated for operations and maintenance. Director Bidmead 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 July.

Mr. Muse reviewed completed concrete repairs within the District. Mr. Muse stated that MDS will perform dye tests to determine if further concrete repairs are needed.

Mr. Muse stated that the Badger Meter, Inc. smart meters have been ordered, however, due to supply chain issues, the smart meters will not arrive until the beginning of 2023.

Mr. Muse stated that the drought stage in the District remains at Stage 1.

Mr. Muse requested the Board's authorization to send two accounts to collections in the amount of \$251.08.

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 Bidmead moved to (1) approve the operator's report; (2) authorize MDS to send town accounts to collection in the amount of \$251.08; 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 Moake 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 five invoices in the total amount of \$26,146.00 payable to CDC Unlimited, LLC ("CDC"), of which the District's share is \$5,104.88.

Ms. Evans updated the Board regarding construction of the Water Plant Improvements project and reviewed and recommended approval of Pay Estimate Nos. 1 and 2 in the amounts of \$88,493.40 and \$54,882.90, of which the Districts shares are \$15,757.76 and \$9,772.84, payable to D&M Tank, LLC.

Ms. Evans stated that the Surplus Funds Application will be submitted to the Texas Commission on Environmental Quality the week of August 11, 2022.

Ms. Evans stated a draft agreement had been received from Fort Bend County (the "County") for two radar signs. She stated that Quiddity also received an email from Fieldstone Community Association, Inc. (the "HOA") that the HOA plans to proceed with purchasing and maintaining the signs, and that the HOA provided documents to

the County for the same. Discussion ensued regarding the District's purchase of two additional radar signs and possible locations for the same.

Following review and discussion, Director Bidmead moved to (1) approve the engineer's report; (2) based on the engineer's recommendation, to concur with GMM1's approval of five CDC invoices for the maintenance of the regional detention facilities; and (3) based on the engineer's recommendation, approve Pay Estimates Nos. 1 and 2 in the total amount of \$25,530.60. Director Oliver seconded the motion, which carried unanimously.

DRAINAGE FACILITIES REPORT

Mr. Robertson presented and reviewed a drainage facilities report, a copy of which is attached. Mr. Robertson presented a proposal to repair three sinkholes at the District's drainage channel in the amount of \$24,725.00. Mr. Robertson stated that SWS is preparing a proposal to repair the backslope interceptor paving and will present it to the Board at the September meeting. The Board deferred further action pending the receipt of the proposal to repair the backslope interceptor.

GARBAGE AND RECYCLING COLLECTION

The Board reviewed a proposal from Best Trash, LLC ("Best Trash") for 48-gallon recycling carts for either three or five-year terms. Discussion ensued regarding the cost difference between recycling bins and recycling carts. The Board delegated authority to Director Oliver to be the District's liaison with Best Trash. Director Oliver stated that she will follow up with Best Trash regarding the cost difference and report back at the September Board meeting.

DISTRICT WEBSITE

The Board reviewed proposals from Off Cinco and Touchstone District Services. Following review and discussion, Director Bidmead moved to (1) accept the proposal from Off Cinco with a fixed layout option in the amount of \$2,100.00 and monthly hosting and maintenance option 1 in the amount of \$50.00 per month plus updates; and (2) delegate authority to Director Bidmead to be the District's liaison with Off Cinco. Director Oliver seconded the motion, which passed unanimously.

NORTH FORT BEND WATER AUTHORITY ("AUTHORITY") MATTERS

Discussion ensued among the Board regarding Authority Fees. Discussion ensued regarding ways to educate residents regarding water conservation and Authority programs.

ATTORNEY'S REPORT

There was no additional report on this item.

DIRECTOR MATTERS

The Board discussed filling the vacancy on the Board.


MEETING SCHEDULE

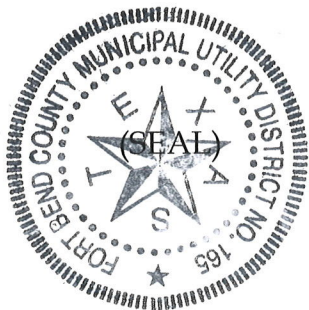
The Board concurred to hold its next meeting on September 8, 2022, at 9:00 a.m. at the offices of ABHR.

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

Director Bidmead discussed a portion of the District that abuts a portion of Fort Bend Municipal Utility District No. 194 ("FB 194") at Chiseled Rock Trail and a possible extension of Chiseled Rock Trail to Meadows Ranch Parkway. Director Bidmead stated that the Board of Directors of FB 194 stated that they had no objection to tying into Chiseled Rock Trail to Meadows Ranch Parkway subject to a list of conditions. He reviewed a list of conditions provided by FB 194. Discussion ensued regarding the requested replacement of an existing wood fence with brick walls and columns to match FB 194's other walls. The Board requested that Ms. Evans follow up with the engineer for FB 194 regarding the fence replacement to determine the feasibility of moving forward with any extension.

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


Asst. Secretary, Board of Directors



LIST OF ATTACHMENTS

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Fire Protection Service Fee..... 2
Bookkeeper’s Report..... 2
Tax Report..... 3
Operator’s Report and the Storm Water Management Report 3
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