

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

September 8, 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 8th day of September, 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 Moake, thus constituting a quorum.

Also attending the meeting in person or by telephone were Rick Garcia and Ed Escobar, residents of the District; Lieutenant Cory Hansen of Fort Bend County Precinct 4 ("Precinct 4"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; Shammarie Leon of Bob Leared Interests, Inc.; Austin Muse of Municipal District Services; 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 August 11, 2022, regular meeting. Following review and discussion, Director Bidmead 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 the opportunity to make public comment.

Director Bidmead introduced Mr. Escobar to the Board.

Mr. Garcia discussed the following matters (1) the continuance of a cost sharing agreement with Fieldstone Community Association, Inc. (the "HOA") for the Mason Road median; (2) a proposed brick perimeter fence; (3) North Fort Bend Water Authority (the "Authority") fees; (4) the HOA's website; and (5) security matters. Discussion ensued.

Director McKinnie then moved to the next agenda item.

SECURITY MATTERS, FIRE PROTECTION SERVICE, AND APPROVE INTERLOCAL AGREEMENT FOR ADDITIONAL LAW ENFORCEMENT SERVICES

Lieutenant Hansen updated the Board regarding security matters in the District.

Lieutenant Hansen presented and reviewed the Contract Deputy Budget Proposal for Additional Law Enforcement Services, estimated at \$230,970.00 annually, which would be \$18,290.00 monthly, with Fort Bend County Precinct 4 for the term October 1, 2022 through September 30, 2023. Following review and discussion, Director Bidmead moved to approve the Contract Deputy Budget Proposal for Additional Law Enforcement Services / Interlocal Agreement between the District and Fort Bend County Precinct 4 for security services with two deputies for October 1, 2022 through September 30, 2023. 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 requested the Boards' approval of two handwritten checks (1) check no. 5252 in the amount of \$6,883.34 for bookkeeping fees from the operating account; and (2) check no. 2011 in the amount of \$934.74 for bookkeeping fees from the capital projects account.

Ms. Garcia then presented and reviewed the Master District/Regional Facilities' budgets (the "Budgets") as approved by Grand Mission Municipal Utility District No. 1 ("GMM1") for the fiscal year end June 30, 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; (3) approve check no. 5252 in the amount of \$6,883.34; (4) approve handwritten check no. 2011 in the amount of \$934.74; and (5) concur in the adoption of the Budgets. Director Oliver seconded the motion, which passed unanimously.

PARK AND RECREATIONAL MATTERS

There was no discussion regarding this agenda matter.

PARK AND LANDSCAPE MATTERS, INCLUDING PROPOSALS FOR ADDITIONAL WORK

Discussion ensued regarding the appointment of a liaison between the District and the HOA. Director McKinnie moved to appoint Director Bidmead as the District's liaison with the HOA. 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 99.449% 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.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Higgins stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2022 total tax rate of \$1.030.

Director McKinnie opened the public hearing. Mr. Garcia asked what the tax rate was for 2021. Director McKinnie closed the public hearing.

Ms. Higgins presented an Order Levying Taxes reflecting the proposed 2022 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Fort Bend County.

After review and discussion, Director Bidmead moved to (1) adopt the Order Levying Taxes reflecting a total 2022 tax rate of \$1.030 per \$100 of assessed valuation, comprised of \$0.550 to pay debt service on water, sewer, and drainage bonds and \$0.480 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order Levying Taxes and Amendment to Information Form be filed appropriately and retained in the District's official records. Director Oliver seconded the motion, which passed by unanimous vote.

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 August.

Mr. Muse reviewed a quote for eleven sidewalk repairs where District-owned facilities are located in the amount of \$16,814.00.

Director Bidmead discussed the status of repairs at a pocket park on Stoneroses Trail. Discussion ensued.

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) approve eleven sidewalk repairs in the amount of \$16,814.00; (3) delegate authority to Director Bidmead to approve additional grading and add three storm drains in the sidewalks at the pocket park in an amount not to exceed \$20,000.00; and (4) 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 Oliver 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 stated that the Authority asked if GMM1 was interested in a reclaimed water system. Ms. Evans stated that a feasibility study was performed in 2013, but at that time GMM1 declined to move forward with a reclaimed water system. She added that GMM1 is analyzing the cost to update the feasibility study.

Ms. Evans reviewed a draft Interlocal Agreement for Installation, Operation, and Maintenance of Solar Powered Speed Awareness Signs between the District and Fort Bend County (the "County") for two solar-powered speed awareness signs ("speed awareness signs"). Discussion ensued. The Board asked Ms. Evans to provide locations for the speed awareness signs to the County.

Ms. Evans stated that Quiddity contacted the engineer for Fort Bend Municipal Utility District No. 194 ("FB 194") regarding the extension of Chiseled Rock Trail to Meadows Ranch Parkway. Ms. Evans stated that the engineer indicated that FB 194 would likely not agree to the extension unless the District replaced its existing wood fence

with brick walls and columns to match FB 194's other walls. Director Bidmead stated that he will follow up with FB 194 regarding the matter.

Ms. Evans presented and reviewed a Land Ownership exhibit showing the District's common space and a spreadsheet outlining the land ownership and assumed maintenance areas. Ms. Evans stated that the District owns 34.72 acres of land of which 6.65 acres are being maintained by SWS.

Ms. Evans stated that Jones Carter changed its name to Quiddity Engineering, LLC, and has negotiated an updated agreement with the District. Ms. Evans stated that current tasks will continue under the old agreement with Jones & Carter, Inc. ("J&C"), and that all new tasks will be performed under the new agreement with Quiddity. She then requested the Boards' approval of a Professional Services Agreement ("PSA") between the District and Quiddity. Ms. Higgins stated that the District will also need to update certain documents to reflect Quiddity as the District's engineer with the appropriate agencies.

After review and discussion, Director Bidmead moved to (1) approve the engineer's report; (2) purchase two speed awareness signs to be installed at locations to be determined by the District and to be maintained by the District; (3) terminate the Professional Services Agreement with J&C, subject to completion of any outstanding work under the J&C Professional Services Agreement, if any, and approve the PSA with Quiddity; (4) authorize execution of letters to the Texas Commission on Environmental Quality and the Environmental Protection Agency designating Quiddity as the District's agent in dealing with the agencies; (5) authorize execution of an updated District Registration Form; (6) adopt a Resolution Changing District Office; (7) authorize execution of an updated District Registration Form; (8) authorize Quiddity to update the District's Emergency Preparedness Plan; (9) authorize ABHR to update the District's Critical Load Spreadsheet; (10) authorize ABHR to update the Districts' SB2 information; and (11) notify Off Cinco to update the District's website. Director Oliver seconded the motion, which passed unanimously.

DRAINAGE FACILITIES REPORT

Mr. Robertson presented and reviewed a drainage facilities report, a copy of which is attached. Mr. Robertson presented and reviewed a proposal to fill three sinkholes at the District's drainage channel in the amount of \$14,725.00. Mr. Robertson then presented and reviewed a proposal to repair slope paving in the amount of \$37,900.00. Discussion ensued, and the Board asked SWS and Quiddity to investigate who owns the property under the slope paving. Following review and discussion, Director Bidmead moved to (1) approve the proposal to fill three sink holes in the amount of \$14,725.00; and (2) defer the repair of the slope paving pending the investigation of the ownership of the property. Director Oliver seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING COLLECTION

Director Oliver had no updates regarding this agenda matter.

DISTRICT WEBSITE

Director Bidmead moved to designate Director Oliver as the liaison for website matters. Director McKinnie seconded the motion, which passed unanimously.

NORTH FORT BEND WATER AUTHORITY MATTERS

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

The board received a Notice of Preliminary 2023 Fees ("Notice") from the Authority stating that the Authority's Board of Directors did not anticipate changes to the current Groundwater Reduction Plan Fee of \$4.55 per 1,000 gallons of water pumped and the Surface Water Fee of \$4.90 per 1,000 gallons of surface water received. A copy of the Notice is attached.

Discussion ensued regarding possibly amending the Rate Order at the October meeting for water and sewer service rates for community associations.

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 October 13, 2022, at 9:00 a.m. at the offices of ABHR.

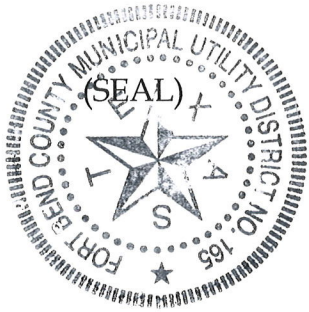
REPORTS FROM DIRECTORS AND CONSULTANTS REGARDING PENDING DISTRICT BUSINESS AND OUTSTANDING ITEMS

The Board further discussed landscape maintenance matters. The Board concurred to continue the Cost Sharing Agreement Regarding Landscape Maintenance By and Between the District and the HOA for 2022 - 2023.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS

Bookkeeper's Report..... 2
Tax Report..... 3
Operator's Report and the Storm Water Management Report 3
Engineering Report..... 4
Drainage Facilities Report..... 5
Notice of Fees..... 6