

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

December 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 December, 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:

Avery Bidmead	President
Christine Oliver	Vice President
Ed Escobar	Secretary
William "Mac" McKinnie	Assistant Vice President
Matt Moake	Assistant Secretary

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

Also attending the meeting in person were Lieutenant Cory Hansen of Fort Bend County Precinct 4 ("Precinct 4"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; Stephanie Lee of KGA/DeForest Design, LLC ("KGA"); Shammari Leon of Bob Leared Interests, Inc.; Charlie Chapline and 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 November 10, 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 Bidmead offered any members of the public attending the meeting the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Bidmead moved to the next agenda item.

SECURITY MATTERS AND FIRE PROTECTION SERVICES

Lieutenant Hansen presented and reviewed a security report from Precinct 4 and two security statistics reports, copies of which are attached.

Lt. Hansen left the meeting.

TRAVEL REIMBURSEMENT GUIDELINES AND ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE

Ms. Higgins reviewed the District's Travel Reimbursement Guidelines (the "Guidelines") and the Board discussed expenses for the upcoming Association of Water Board Directors winter conference in Austin from January 27 - 28, 2023.

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. Following review and discussion, Director McKinnie 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.

ARBITRAGE REBATE REPORT FOR SERIES 2012 BONDS

Ms. Higgins presented the Arbitrage Rebate Report prepared by OmniCap Group ("OmniCap") for the Unlimited Tax Bonds, Series 2012. She noted that OmniCap determined that there were no rebate or yield reduction payments due on the District's Unlimited Tax Bonds, Series 2012.

ANNUAL REPORT

Ms. Higgins reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the District's bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board (the "MSRB") through EMMA in compliance with SEC Rule 15c2-12 and with the Municipal Advisory Council of Texas, the State Information Depository. She added that the District's financial and operating data must be filed by December 31, 2022. Following review and discussion, Director Oliver moved to approve the Annual Report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolutions, and direct that the Report be filed appropriately and retained in the District's official records. Director McKinnie seconded the motion, which passed unanimously.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Ms. Higgins stated that no changes are required at this time.

PARK AND RECREATIONAL MATTERS

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

Ms. Lee discussed the bid for the recreational facility improvement projects that was presented to the Board in June, 2022. Discussion ensued. The Board concurred to establish a parks committee and appoint Directors Bidmead and Escobar to the committee. The Board deferred further action on the matter until January, 2023.

PARK AND LANDSCAPE MATTERS, INCLUDING PROPOSALS FOR ADDITIONAL WORK

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 99.651% of the District's 2021 taxes and 5.893% of the District's 2022 taxes were collected as of the meeting date. Following review and discussion, Director McKinnie 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 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 November.

Mr. Muse updated the Board regarding the status of the smart meters and stated that the meters should be delivered in the Spring of 2022.

Director Bidmead discussed a failed sanitary manhole and sidewalk repair made by an MDS contractor. Mr. Muse stated that MDS investigated the failure and is making repairs at no cost to the District.

Director Oliver asked MDS to investigate standing water on a sidewalk in a median on Mason Road.

Mr. Muse requested Board authorization to send one account to collections in the amount of \$452.86.

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 McKinnie moved to (1) approve the operator's report; (2) authorize MDS to send one account to collections in the amount of \$452.86; 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 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 Grand Mission Municipal Utility District No. 1 ("GMM1") received and approved CDC Unlimited, LLC's invoice numbers 23759, 23879, 23898, and 23965 in the total amount of \$7,081.25 of which the District's share is \$1,009.46.

Ms. Evans updated the Board regarding construction of the Regional Detention Pond Rehabilitation project and requested the Board's concurrence of Grand Mission Municipal Utility District No. 1's ("GMM1") approval of Pay Estimate No. 3 in the total amount of \$18,765.00, of which the District's share is \$6,565.87, payable to Sterling Site Services, LLC ("Sterling").

Ms. Evans then reviewed and recommended approval of Change Order No. 1 to the contract with Sterling for the Regional Detention Pond Rehabilitation project to decrease the contract by 33%. The Board determined that Change Order No. 1 is beneficial to the District.

Ms. Evans updated the Board regarding construction of the Water Plant Improvements project and requested the Board's concurrence of Grand Mission Municipal Utility District No. 1's ("GMM1") approval of Pay Estimate No. 4 in the total amounts of \$34,895.99, of which the District's share is \$6,213.83, payable to D&M Tank, LLC.

Ms. Evans stated that the solar powered speed awareness signs have been received, however the poles were not ordered. Ms. Evans requested the Board's authorization to order (1) two poles from Radarsigns in the amount of \$2,600.00; or (2) two square poles and bases in the amount of \$300.00.

Ms. Higgins presented and reviewed a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Use of Surplus Funds and Change in Project Scope for the corrosion control treatment system at Water Plants Nos. 1 and 2.

Director Bidmead then discussed a resident who spread insect killer chemicals on District-owned property. Discussion ensued. The Board concurred that Ms. Evans should investigate whether the incident is an MS4 violation and authorized ABHR to send a letter regarding the violation.

After review and discussion, Director McKinnie moved to (1) approve the engineer's report; (2) based on the engineer's recommendation, concur with GMM1's approval of the invoices for the maintenance of the regional detention facilities; (3) based on the engineer's recommendation, concur with GMM1's approval of Pay Estimate No. 3, of which the District's share is \$6,565.87; (4) approve Change Order No. 1 to decrease the contract by 33% with Sterling, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (5) authorize Quiddity to order two square poles and bases in the amount of \$300.00; and (6) adopt the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Use of Surplus Funds and Change in Project Scope. Director Oliver seconded the motion, which passed unanimously.

Ms. Lee left the meeting.

DRAINAGE FACILITIES REPORT

Mr. Robertson presented and reviewed a drainage facilities report, a copy of which is attached.

Mr. Robertson stated that SWS will repair and hand-seed a portion of the District's drainage channel where a resident is constructing a pool in the amount of \$500.00. Mr. Robertson stated that the work will take place in the Spring of 2023.

Mr. Robertson then presented and reviewed a proposal to perform a dye test on a sinkhole at a storm sewer manhole in the amount of \$1,600.00.

After review and discussion, Director McKinnie moved to (1) approve the drainage facilities report; (2) approve hand-seeding an area of the drainage channel in the amount of \$500.00; and (3) approve the proposal for the dye test in the amount of \$1600.00. Director Oliver seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING COLLECTION

There were no updates regarding this agenda matter.

DISTRICT WEBSITE

Director Oliver stated that the District's website is live and stated that she will send Off Cinco Constable Beard's contact information for posting on the website.

NORTH FORT BEND WATER AUTHORITY MATTERS

The Board received a Notice of Withdrawal of Stage 1 Drought Conditions from the North Fort Bend Water Authority, a copy of which is attached.

ATTORNEY'S REPORT

Ms. Higgins reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

Ms. Higgins discussed matters related to the Texas Public Information Act and reviewed and distributed a Memorandum Regarding the Texas Public Information Act and a Memorandum Regarding Senate Bill 944/Texas Public Information Act, copies of which are attached.

Ms. Higgins requested the Board's authorization to draft a Right of Entry and Indemnification Agreement for residents who request to use District property to perform work on their property as discussed at a previous meeting. The Board concurred with the request.

MEETING SCHEDULE

The Board concurred to hold its next meeting on January 12, 2023, at 9:00 a.m. at the offices of ABHR.

REPORTS FROM DIRECTORS AND CONSULTANTS REGARDING PENDING DISTRICT BUSINESS AND OUTSTANDING ITEMS/PARK AND LANDSCAPE MATTERS, INCLUDING PROPOSALS FOR ADDITIONAL WORK CONTINUED

Director Bidmead discussed street repairs in the District made by Fort Bend County.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS

Precinct 4 Security Report.....1
Bookkeeper’s Report2
Landscaping Report3
Tax Report.....3
Operator’s Report and the Storm Water Management Report3
Engineering Report.....4
Drainage Facilities Report5
Notice of Withdrawal of Stage 1 Drought Conditions6
Memorandum Texas Public Information Act.....6
Memorandum Senate Bill 944/Texas Public Information Act.....6