

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

June 8, 2023

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 8<sup>th</sup> day of June, 2023, 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
Gregory Henry	Assistant Secretary

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

Also attending the meeting in person were Rick Garcia, a resident of the District; Lieutenant Cory Hansen and Deputy Fahim Ghaleche of Fort Bend County Precinct 4 ("Precinct 4"); Rose Montalbano of Municipal Accounts & Consulting, L.P.; Garrett Robertson of Storm Water Solutions, LLC; Shammarie Leon of Bob Leared Interests, Inc.; Austin Muse of Municipal District Services ("MDS"); Lyndsay Evans and Josh Netardus of Quiddity Engineering, LLC ("Quiddity"); Christie Leighton and 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 11, 2023, regular meeting. Following review and discussion, Director McKinnie made a motion to approve the minutes as written. Director Escobar seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING COLLECTION

Mr. Turner reviewed an annual adjustment letter from Best Trash, which reflects an increase of 6.9% in the collection rate, effective June 1, 2023, from \$19.63 to \$20.98 per month per residence. Mr. Turner then requested the Board's approval of an additional price adjustment of 3.5%, or \$0.73, due to increased costs of operating services, labor, weather conditions, supply chain disruptions, and fuel costs. Mr. Turner stated that if the additional price adjustment was approved by the Board, the current rate of \$20.98 would be increased for a new rate of \$21.71, effective upon the June, 2023 billing cycle. A copy of the annual adjustment letter is attached.

Ms. Higgins then reviewed a proposal for the addition of Best Trash 48-gallon recycling carts. Ms. Higgins stated that, based on a three-year renewal of Best Trash’s contract, the recycling carts would cost \$1.80 each, and the rate would increase to \$23.51 per month per residence. Ms. Higgins stated that, based on a five-year renewal of Best Trash’s contract, the recycling carts would cost \$1.50 each, and the rate would increase to \$23.11 per month per residence. The Board took no action on this matter.

After review and discussion, Director McKinnie moved to (1) accept the annual adjustment letter; and (2) approve an additional price adjustment of 3.5% for a new rate of \$21.71. Director Escobar seconded the motion, which carried unanimously.

### PUBLIC COMMENT

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

Mr. Garcia discussed matters regarding communication and coordination between the Fieldstone Community Association, Inc. (the “HOA”) and the District. Discussion ensued. No action was taken by the Board.

Director Bidmead moved to the next agenda item.

### 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, 2023. Following review and discussion, Director Oliver moved to authorize the auditor to begin preparation of the audit. Director Bidmead seconded the motion, which passed unanimously.

### SECURITY MATTERS AND FIRE PROTECTION SERVICES

Lieutenant Hansen introduced Deputy Ghaleche to the Board. Lieutenant Hansen presented and reviewed a security report from Precinct 4 and two security statistics reports, copies of which are attached. Lieutenant Hansen then discussed security matters in the District.

### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbano distributed and reviewed the bookkeeper’s report, budget comparisons, bills presented for payment, and the investment report from the reporting period for approval. A copy of the bookkeeper’s report and the investment report are attached to the minutes. 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.

Ms. Montalbano presented and reviewed the proposed budget for the fiscal year ending June 30, 2024, which is included in the bookkeeper's report. Following review and discussion, Director McKinnie made a motion to adopt the budget as written. Director Oliver seconded the motion, which passed unanimously.

Ms. Montalbano 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, 2024. Following review and discussion, Director McKinnie made a motion to concur in the adoption of the Budgets. Director Oliver seconded the motion, which passed unanimously.

#### PARK AND RECREATIONAL MATTERS

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

#### PARK AND LANDSCAPE MATTERS, INCLUDING PROPOSALS FOR ADDITIONAL WORK

Director Bidmead updated the Board regarding park and landscaping matters in the District.

The Board discussed the Cost Sharing Agreement Regarding Landscape Maintenance By and Between the District and the HOA and the Donation Agreement Regarding Recreational Facilities Maintenance By and Between the District and the HOA.

#### DRAINAGE FACILITIES REPORT

Mr. Robertson presented and reviewed a drainage facilities report, a copy of which is attached. Mr. Robertson stated that he will provide a proposal for the slope paving repair at the District's drainage channel at the July Board meeting.

#### 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 2022 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, 2023.

Ms. Higgins stated the Board has the opportunity to nominate a candidate for the Fort Bend Central Appraisal District Board election.

Following review and discussion, Director McKinnie made a motion to (1) approve the tax assessor/collector's report; (2) pay the bills presented for payment from the tax account; (3) authorize the delinquent tax attorney to begin collection of delinquent property taxes; and (4) adopt a Resolution Nominating a Candidate for a Position on the Board of Directors of the Fort Bend Central Appraisal District, reflecting the District's nomination of Michael D. Rozell, 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 May.

Mr. Muse stated that MDS will credit the District for a storm drain cleanout job at Stoneroses Park performed after Director Bidmead requested that it be cancelled.

Mr. Muse requested the Board's authorization to send one account to collections in the amount of \$79.23.

Mr. Muse presented and reviewed two blog articles regarding water districts and water distribution for posting on MDS's District page and the District's website.

#### 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 the operator to send one account to collections in the amount of \$79.21; (3) authorize the operator to post the blog articles on MDS's District page and the District's website; 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.

NORTH FORT BEND REGIONAL WATER AUTHORITY (“NFBWA”) MATTERS

Mr. Muse updated the Board regarding the delivery of the smart meters from Badger Meter, Inc.

ENGINEERING MATTERS

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

Ms. Evans stated that GMM1 received an alleged violation for failure to provide adequate production capacity to meet contractual obligations. She stated that GMM1 is working with that District’s operator and the Texas Commission on Environmental Quality to show that the NFBWA provides on average 1.41 million-gallons-per-day which is much higher than the contracted amount of 900,000 million-gallons-per-day.

DEEDS, EASEMENTS, AND PLATS

There was no discussion regarding this agenda matter.

After review and discussion, Director Bidmead moved to approve the engineer’s report. Director Oliver seconded the motion, which passed unanimously.

DISTRICT WEBSITE

The Board received a monthly analytics report for May, 2023, a copy of which is attached.

ATTORNEY’S REPORT

Ms. Higgins stated the District’s insurance policies with Brown & Brown Lone Star Insurance Services (“Brown & Brown”) will expire on August 4, 2023. Ms. Higgins then distributed and reviewed a renewal proposal for the District’s insurance policies received by ABHR from Brown & Brown with a proposed annual premium of \$9,075.00 plus \$400.00 for worker’s compensation insurance. Following review and discussion, Director Oliver made a motion to accept the renewal proposal from Brown and Brown. Director Escobar seconded the motion, which passed unanimously.

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

There was no discussion regarding this agenda matter.

MEETING SCHEDULE

The Board concurred to hold its next meeting on July 13, 2023, at 9:00 a.m. at the offices of ABHR.

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



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Secretary, Board of Directors

LIST OF ATTACHMENTS

Best Trash CPI Letter ..... 1  
Precinct 4 Security Report..... 2  
Security Statistics Reports..... 2  
Bookkeeper’s Report..... 2  
Landscaping Report..... 3  
Drainage Facilities Report..... 3  
Tax Report..... 3  
Operator’s Report and the Storm Water Management Report ..... 4  
Engineering Report..... 5