

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

July 13, 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 13th day of July, 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 except Director McKinnie, thus constituting a quorum.

Also attending the meeting in person were Assistant Fire Chief Johnny Mitchell and Deputy Chief Kirk Henderson of the Community Volunteer Fire Department Station 95 ("VFD 95"); Sergeant Abraham Garcia of Fort Bend County Precinct 4 ("Precinct 4"); Rose Montalbano of Municipal Accounts & Consulting, L.P.; Shammari Leon of Bob Leared Interests, Inc.; Garrett Robertson of Storm Water Solutions, LLC ("SWS"); Austin Muse of Municipal District Services ("MDS"); Josh Netardus of Quiddity Engineering, LLC ("Quiddity"); Stephanie Lee of KGA/DeForest Design, LLC; and Whitney Higgins and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 8, 2023, regular meeting. Following review and discussion, Director Oliver made a motion to approve the minutes as written. Director Escobar seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING COLLECTION

There was no discussion regarding this agenda matter.

PUBLIC COMMENT

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

Assistant Fire Chief Mitchell discussed firefighting and emergency services provided by VFD 95. Discussion ensued.

Director Bidmead moved to the next agenda item.

GARBAGE AND RECYCLING COLLECTION MATTERS

There was no discussion regarding this agenda matter.

SECURITY MATTERS AND FIRE PROTECTION SERVICES

Sergeant Garcia presented and reviewed a security report from Precinct 4 and one security statistics report, copies of which are attached. The Board received a Constable Contract Deputy Budget Proposal from Fort Bend County for October 1, 2023 through September 30, 2024. No action was taken on the matter.

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.

Ms. Higgins stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for Director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation.

Following review and discussion, Director Escobar made a motion to (1) approve the bookkeeper's report and investment report; (2) pay the District's bills as submitted; and (3) to approve payment of Directors' fees of office at the new maximum amount allowed by law, effective as of June 18, 2023. Director Oliver seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference and considered authorizing attendance at the winter conference. After discussion, Director Escobar moved to (1) approve reimbursement of all eligible expenses for Directors who attended the summer conference, which the District's bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines; and (2) to authorize attendance of any interested Directors at the winter conference in Dallas, Texas from January 19 - January 20, 2024, authorize up to two nights of lodging at the Conference rate, up to three days of per diem, and up to six meals, if submitted

in accordance with the District's Guidelines. 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 99.426% of the District's 2022 taxes were collected as of the meeting date.

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

Following review and discussion, Director Oliver made a motion to (1) approve the tax assessor/collector's report; (2) pay the bills presented for payment from the tax account; and (3) adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the Fort Bend Central Appraisal District, casting the District's nine votes for Michael D. Rozell, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Escobar seconded the motion, which passed 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 2023 tax year.

Following review and discussion, Director Bidmead moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed district for the 2023 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.

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 for the slope paving repair at the District's drainage channel by SWS in the amount of \$73,860.00. Discussion ensued, and the Board concurred Mr. Robertson should solicit bids for the construction materials

specified in the proposal. After further review and discussion, Director Escobar authorized SWS to (1) proceed with the repair contingent upon receiving proposals for the construction materials; and (2) designate authority to Director Henry to approve a revised proposal in an amount not to exceed \$73,860.00. 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 stated that MDS will credit the District on MDS's August invoice 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 two accounts to collections in the amount of \$326.35.

Mr. Muse presented and reviewed three proposals from Torres Construction & Irrigation, LLC for flower bed installations at (1) Rollington Road and Stone Cavern Circle in the amount of \$3,075.00; (2) Mason Road and Stonegate Drive in the amount of \$12,500.00; and (3) Mason Road and Stonebridge Terrace in the amount of \$7,000.00. The Board tabled action on the matter.

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 Escobar moved to (1) approve the operator's report; (2) authorize the operator to send two accounts to collections in the amount of \$326.35; 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.

WEBSITE MATTERS

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

NORTH FORT BEND REGIONAL WATER AUTHORITY ("NFBWA") MATTERS

There was no discussion regarding this agenda matter.

ENGINEERING MATTERS

Mr. Netardus distributed and reviewed the District's engineering report, a copy of which is attached.

Mr. Netardus noted Grand Mission Municipal Utility District No. 1 ("GMM1") approved two invoices in the total amount of \$4,747.25, of which the District's share is \$1,199.11.

Mr. Netardus stated that Quiddity anticipates submitting plans for the corrosion control treatment system for the regional Water Plant Nos. 1 and 2 for agency review the week of July 10, 2023.

Mr. Netardus updated the Board regarding GMM1's alleged violation for failure to provide adequate production capacity to meet contractual obligations. He stated that the Texas Commission on Environmental Quality has not issued a formal response and that the NFBWA has not responded yet.

Mr. Netardus stated that GMM1 is finalizing the draft report and financial analysis for the water reuse study and that Quiddity will review the draft report with the Board at the August meeting.

Mr. Netardus stated that Quiddity performed the District's MS4 Permit implementation services in accordance with Permit Year 5 of the Storm Water Management Program and that Quiddity will be hosting the annual MS4 training on July 18, 2023. Mr. Netardus invited any interested Directors to attend the training.

Ms. Higgins presented and reviewed an updated 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.

DEEDS, EASEMENTS, AND PLATS

There was no discussion regarding this agenda matter.

After review and discussion, Director Oliver 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; and (3) adopt the Resolution Authorizing Application to the Texas Commission on Environmental Quality

for Use of Surplus Funds and Change in Project Scope. Director Escobar seconded the motion, which passed unanimously.

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 stated that the Notice to Proceed for the Amenity Improvements Project was issued on July 10, 2023.

PARK AND LANDSCAPE MATTERS, INCLUDING PROPOSALS FOR ADDITIONAL WORK AND COST SHARING AGREEMENTS REGARDING LANDSCAPE MAINTENANCE

Discussion ensued regarding the maintenance of District-owned park facilities. After review and discussion Director Escobar moved to approve a repair of electrical equipment at the splashpad in the amount of \$750.00. Director Oliver seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

REPORT REGARDING LEGISLATIVE MATTERS

The Board received a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature. A copy of the report is attached.

DIRECTOR PER DIEMS

This matter was discussed under financial and bookkeeping matters.

AMENDMENT TO INFORMATION FORM

Ms. Higgins reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers. Ms. Higgins explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Escobar moved to

authorize execution of the Amendment to Information Form and to authorize filing with Fort Bend County and the TCEQ. Director Oliver seconded the motion, which passed unanimously.

Ms. Higgins provided correspondence from the HOA's attorney regarding the Donation Agreement Regarding Recreational Facilities Maintenance By and Between the District and the HOA. Discussion ensued. No action was taken on the matter.

The Board concurred to appoint members to committees as follows: (1) Directors Henry and Escobar to be the liaisons regarding HOA matters; (2) Directors Bidmead and Escobar to be the liaisons regarding security matters; (3) Directors Oliver and Bidmead to be the liaisons regarding garbage and recycling matters; (4) Directors Bidmead and Henry to be the liaisons regarding landscaping matters; and (5) Directors Oliver and Escobar to be the liaisons regarding website matters.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS REGARDING CORRESPONDENCE AND/OR REPORTS RECEIVED AND EVENTS AND/OR ACTIVITIES ATTENDED DURING THE MONTH

Director Bidmead discussed a meeting he had with Fort Bend County Precinct 4 Commissioner Dexter McCoy regarding a new initiative, Fort Bend Clean.

MEETING SCHEDULE

The Board concurred to hold its next meeting on August 10, 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.



Secretary, Board of Directors

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