

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

November 9, 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 9<sup>th</sup> day of November, 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 were Rick Garcia, Adam Shoof, and Sharon LaTona, residents of the District; Jennifer Knudson of Fieldstone Community Association, Inc. ("HOA"); Lieutenant Cory Hansen, Sergeant Eddie Perez, and Sergeant Abraham Garcia of Fort Bend County Precinct 4 ("Precinct 4"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; Shammarie Leon of Bob Leared Interests, Inc.; Joseph Hopper of Storm Water Solutions, LLC; Austin Muse of Municipal District Services ("MDS"); Lyndsay Evans of Quiddity Engineering, LLC ("Quiddity"); Stephanie Lee of KGA/DeForest Design, LLC; Josh Wailes of Mike Stone Associates, Inc. ("MSA"); and Whitney Higgins and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the October 4, 2023, regular meeting and the October 23, 2023, special meeting. Following review and discussion, Director Oliver made a motion to approve the minutes of the October 4, 2023, regular meeting and the October 23, 2023, special meeting, as written. Director Escobar 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 wishing to make public comment, Director Bidmead moved to the next agenda item.

## GARBAGE AND RECYCLING COLLECTION

There was no discussion regarding this 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.

Director Bidmead generally discussed security matters in the District.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia 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.

The Board then conducted its annual review of the District's Investment Policy, and Ms. Higgins stated that neither ABHR nor the bookkeeper have any recommended changes.

Ms. Higgins reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She next reviewed a list of qualified broker/dealers provided by the District's bookkeeper.

Following review and discussion, Director Oliver made a motion to (1) approve the bookkeeper's report and investment report; (2) pay the District's bills as submitted; (3) adopt a Resolution Regarding Annual Review of Investment Policy and to direct that a copy of the resolution be filed and retained in the District's records; and (4) adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that a copy of the resolution be filed appropriately and retained in the District's official records. Director Escobar seconded the motion, which passed unanimously.

Ms. Higgins presented and reviewed requests from the HOA for: (1) reimbursement to the HOA in the amount of \$7,025.36 for landscaping; and (2) reimbursement to the HOA in the amount of \$3,000.00 for irrigation repairs. Discussion ensued. After further review and discussion, Director Escobar moved to approve reimbursement to the HOA for landscaping and irrigation repairs in the total amount of \$3,310.00. Director Oliver seconded the motion, which passed unanimously.

## 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, 2023. 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 Escobar 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.

## 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 0.914% of the District's 2023 taxes were collected as of the meeting date.

The Board next considered adopting a Resolution Voting for Director for Board of Directors Election for Fort Bend Central Appraisal District. The Board did not take action on this agenda item.

Following review and discussion, Director Escobar 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.

## DRAINAGE FACILITIES REPORT

Mr. Beyer introduced Mr. Hopper to the Board

Mr. Hopper presented and reviewed a drainage facilities report, a copy of which is attached. Mr. Hopper stated that SWS's plans to repair cross bars on the culverts at the drainage channel will need to be reviewed and approved by Fort Bend County (the "County"). Ms. Evans confirmed that Quiddity will submit the plans to the County.

## 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 October.

Mr. Muse stated that the sidewalk survey is complete and that he will present the survey to the Board at the December meeting.

Mr. Muse reported that MDS has installed 268 out of 978 smart meters throughout the District as of the meeting date.

Ms. LaTona requested the Board's approval of a payment plan for a balance on her water bill in the amount of \$1,940.98. Mr. Muse asked Ms. LaTona to provide him with evidence of leaks and copies of invoices paid to repair the leaks. No further action was taken regarding 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; and (2) 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

Director Oliver updated the Board regarding website matters.

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

Mr. Muse stated that NFBWA will hold a webinar regarding the Water Conservation Provider Program on November 28, 2023, at 12:00 p.m.

Mr. Muse reported on the Grand Mission Municipal Utility District No. 1 ("GMM1") Drought Contingency Plan.

## ENGINEERING MATTERS

Ms. Evans distributed and reviewed the District's engineering report and discussed engineering matters in the District as more fully described in the report, a copy of which is attached.

Ms. Evans updated the Board regarding maintenance of regional detention facilities. Ms. Evans stated Grand Mission Municipal Utility District No. 1 ("GMM1") received and approved CDC Unlimited, LLC's invoice numbers 25471, 25556, 25538, and 25635 in the total amount of \$19,139.02, of which the District's share is \$ 4,316.02.

Ms. Evans presented Quiddity's Opinion of Probable Construction Cost for the Corrosion Treatment System in the amount of \$1,026,000.00, not including contingencies. Ms. Evans stated that the District's share is estimated to be \$182,730.60. Ms. Evans requested the Board authorize her to advertise for bids for the Corrosion Treatment System. Ms. Evans then requested the Board's approval of PLC Programming Modifications for the regional water plants in the amount of \$65,000.00, of which the District's share is \$11,576.50.

Ms. Evans stated that GMM1 continues to discuss the Texas Commission on Environmental Quality's and NFBWA's alleged violations at the regional water plant for failure to provide adequate production capacity to meet GMM1's contractual obligations. Ms. Evans then presented and reviewed a proposal for a Water Well at Water Plant No. 3, a copy of which is attached to the engineer's report. Ms. Evans then reviewed the engineer's scope of service in the estimated amount of \$865,150.00 and the probable construction cost in the amount of \$4,565,000.00, not including contingencies, both of which are attached to the engineer's report. Discussion ensued regarding funding for the possible water well.

Ms. Evans presented and reviewed a scope memorandum for the annual water plant inspection in the amount of \$10,900.00, of which the District's share is \$1,941.29.

Ms. Evans requested the Board's approval of a scope memorandum for the development of a Storm Water Management Program ("SWMP") to meet the anticipated requirements of the draft Phase II Small MS4 General Permit in the amount of \$50,000.00. Ms. Evans stated that the fee for the administration of Permit Year 1 is included in the scope memorandum.

## DEEDS, EASEMENTS, AND PLATS

There was no discussion regarding this agenda matter.

After review and discussion, Director Oliver moved to approve (1) the engineer's report; (2) based on the engineer's recommendation, to concur with GMM1's approval of the invoices for the maintenance of the regional detention facilities in the amount of

\$19,139.02, of which the District's share is \$ 4,316.02; (3) authorize Quiddity to advertise for bids for the Corrosion Treatment System; (4) based on the engineer's recommendation, to approve the PLC Programming Modifications for the regional water plants in the amount of \$65,000.00, of which the District's share is \$11,576.50; (5) based on the engineer's recommendation, to concur with GMM1's approval of the scope memorandum for the annual water plant inspection in the amount of \$10,900.00, of which the District's share is \$1,941.29; and (6) approve the scope memorandum for the development of the District's SWMP and the administration of Permit Year 1 in the amount of 50,000.00. 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 updated the Board regarding construction of the Amenity Improvements project and reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$9,252.00, payable to D.L. Meacham, LP. Following review and discussion, Director Oliver moved, based on the landscape architect's recommendation, to approve Pay Estimate No. 2 in the amount of \$9,252.00. Director Escobar seconded the motion, which carried unanimously.

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

Mr. Wailes updated the Board regarding the status of the Service Agreement between the District and MSA.

Mr. Wailes stated that he will begin inspections of playground equipment, irrigation controllers, and landscaping in the District the week of November 13, 2023, to prepare a detailed monthly inspection report for the Board's review at the December Board meeting. Discussion ensued regarding holding a special meeting in the District with Mr. Wailes to tour District facilities.

The Board then reappointed liaisons as follows: (1) Directors Bidmead and Escobar as the landscaping and park liaisons; and (2) Directors Oliver and Henry as the website liaisons.

Director Bidmead discussed needed repairs to drain housings in a pocket park. Mr. Wailes stated that he will investigate the matter during the tour of District facilities.

Discussion ensued regarding concrete tunnels located in the District. Ms. Evans stated she would follow up on ownership and maintenance of the tunnels with the County.

Ms. Higgins reported on correspondence received from the HOA regarding fencing along private residences. Director Bidmead confirmed that the Board had previously declined to participate in private residence fence improvements.

ATTORNEY'S REPORT

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

ADOPT RESOLUTION ESTABLISHING ADDITIONAL OUT OF DISTRICT MEETING PLACE

Ms. Higgins presented and reviewed a Resolution Establishing Additional Out of District Meeting Place, adding the Katy office of MDS as an additional out-of-district meeting place. After review and discussion, Director Oliver moved to adopt the Resolution Establishing Additional Out-of-District Meeting Place and direct that the Resolution be filed appropriately and retained in the District's official records. Director Escobar seconded the motion, which passed unanimously.

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

There was no discussion regarding this agenda item.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board convened in Executive Session at 10:40 a.m. to pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with its attorney to seek and receive legal advice. In attendance were Directors Bidmead, Oliver, Escobar, and Henry, Mr. Muse, Ms. Higgins, and Ms. Jones.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER


The Board reconvened in open session at 10:56 a.m. No action was taken by the Board.

MEETING SCHEDULE

The Board concurred to hold its next regular meeting on December 14, 2023, at 9:00 a.m. at the offices of MDS.

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



  
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Secretary, Board of Directors



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