

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

March 14, 2024

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 14th day of March, 2024, at the offices of Municipal District Services, LLC, 406 W. Grand Parkway S., Suite 260, Katy, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

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| 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 Virginia Henry of Fieldstone Community Association, Inc.; Deputy Fahim Ghaleche and Deputy Troy Williams of Fort Bend County Precinct 4 ("Precinct 4"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; Shammarie Leon of Bob Leared Interests, Inc.; Karen Sears and Joseph Hopper of Storm Water Solutions, LLC ("SWS"); Austin Muse of Municipal District Services ("MDS"); Justin Waggoner of Touchstone District Services, LLC ("Touchstone"); 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").

PUBLIC COMMENT

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

Ms. Henry discussed security in the District regarding traffic in certain areas of the District. Deputy Ghaleche stated that Precinct 4 will closely monitor traffic in the areas.

Director Bidmead then moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the February 8, 2024, regular meeting. Following review and discussion, Director Oliver made a motion to approve the minutes of the February 8, 2024, regular meeting, as written. Director Escobar seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING COLLECTION

There was no discussion regarding this agenda item.

SECURITY MATTERS AND FIRE PROTECTION SERVICES

Deputy Ghaleche introduced Deputy Williams to the Board. Deputy Ghaleche then presented and reviewed a security report from Precinct 4 and two security statistics reports, copies of which are attached.

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.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

The Board considered adopting a Resolution Expressing Intent to Reimburse for the costs associated with the Water Well No. 3 at Water Plant No. 3 Project ("Well 3"). After review and discussion, Director Henry moved to adopt the Resolution Expressing Intent to Reimburse and direct that the Resolution be filed appropriately and retained in the District's official records. Director Oliver seconded the motion, which passed unanimously.

Following review and discussion, Director Henry 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.

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 97.1% of the District's 2023 taxes were collected as of the meeting date. 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. Hopper presented and reviewed a drainage facilities report, a copy of which is attached.

Mr. Hopper presented and reviewed four proposals from SWS to replace the

crossbars on four culverts in the drainage channel in the total amount of \$50,415.00. After review and discussion, Director Oliver moved to (1) approve the drainage facilities report; and (2) approve the proposals in the total amount of \$50,415.00. Director Escobar 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, a copy of which is attached, and updated the Board on repairs and maintenance in the District for the month of February.

Mr. Muse stated that the installation of smart meters is 80% complete.

Mr. Muse requested the Board's authorization to send three accounts to collections in the amount of \$1,806.46.

Director Oliver asked Mr. Muse to investigate the fence at the lift station for possible repairs.

CRITICAL LOAD ANNUAL FILING

Ms. Higgins reviewed the District's critical load spreadsheet, which had been previously provided to the District's operator, engineer, and bookkeeper for review. A copy of the critical load spreadsheet is attached. Ms. Higgins noted that the critical load information on the District's facilities is required to be reviewed at least annually and provided to certain entities, which include the District's electricity provider, the Public Utility Commission, and other governmental entities.

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 MDS to send three accounts to collections in the amount of \$1,806.46; (3) approve the critical load spreadsheet, authorize providing it to the appropriate entities, and direct that a copy be retained in the District's official records; 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.

WEBSITE MATTERS

Mr. Waggoner presented and reviewed a Touchstone report, a copy of which is attached. Mr. Waggoner stated that he will provide an analytics report regarding the website at the April meeting. General discussion ensued regarding the design of the website. Following review and discussion, Director Escobar moved to approve the Touchstone report. Director Oliver seconded the motion, which passed unanimously.

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

WATER PROVIDER CONSERVATION PROGRAM

Mr. Muse had no updates regarding this agenda matter.

WATER CONSERVATION PLAN

This agenda matter was deferred until the April Board meeting.

APPROVE WATER CONSERVATION PLAN ANNUAL REPORT AND IMPLEMENTATION REPORT ON THE WATER CONSERVATION PLAN

This agenda matter was deferred until the April Board meeting.

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Ms. Higgins stated that the Texas Commission on Environmental Quality (“TCEQ”) rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2024, prior to May 1st. Ms. Higgins reviewed an Amended and Restated Drought Contingency Plan with the Board. After review and discussion, Director Escobar moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District’s official records. Director Oliver seconded the motion, which passed by unanimous vote.

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 stated that Grand Mission Municipal Utility District No. 1 (“GMM1”) approved CDC Unlimited, LLC’s (“CDC”) Invoice Nos. 26236, 26399, and 26320, totaling \$9,494.50 for the mowing of the regional detention facilities, of which the District’s share is \$2,018.92.

Ms. Evans reported that GMM1 awarded a bid in the amount of \$1,200,000.00 for the Corrosion Control Treatment System to W.W. Payton Corporation (“Payton”).

Ms. Evans updated the Board regarding the TCEQ’s Supply Capacity Violation and stated that GMM1 prepared a temporary Alternative Capacity Request (“ACR”) to submit to TCEQ. Ms. Evans stated that if the TCEQ approves the ACR, the system will have sufficient capacity to meet the current demands. Ms. Evans stated that GMM1 contacted adjacent districts to request capacity. She reported that Fort Bend County Municipal Utility District No. 146 stated that they have additional capacity that can be leased, and that Fort Bend County Municipal Utility District No. 118 (“FB MUD 118”) might have additional capacity. Ms. Evans requested the Board’s approval of payment in the amount of \$1,250.00 to FB MUD 118 for the District’s share of the feasibility study.

Ms. Evans stated that GMM1 is designing the proposed Well 3 project. Ms. Evans requested the Board’s approval for payment of a 20% deposit in the amount of \$178,783.20 to GMM1 for the District’s share of the construction cost, expected to be \$1,047,913.00.

Ms. Evans stated that GMM1 completed the Annual Water Plant Inspection and that the Engineer’s Opinion of Probable Cost for Construction of 2024 Water Plant Nos. 1, 2, and 3 Improvements is \$2,187,200.00. Ms. Evans added that the project will be in the proposed bond issue.

Ms. Evans stated Quiddity plans to send the draft Bond Application Report No. 10 to the District’s consultants the week of March 18, 2024.

DEEDS, EASEMENTS, AND PLATS

There was no discussion regarding this agenda matter.

Following review and discussion, Director Escobar moved to approve (1) the engineer’s report; (2) upon the engineer’s recommendation, approve CDC’s Invoice Nos. 26236, 26399, and 26320 in the total amount of \$9,494.50, of which the District’s share is \$2,018.92; (3) concur with GMM1’s award of the contact for the Corrosion Control Treatment System to Payton in the amount of \$1,200,000.00; (4) approve the payment in the amount of \$1,250.00 to FB MUD 118 for the District’s share of the feasibility study; and (5) a deposit in the amount of \$178,783.20 to GMM1 for Well 3. Director Oliver seconded the motion, which passed unanimously.

MS4 STORM WATER MANAGEMENT PLAN

Ms. Evans presented and reviewed the MS4 Phase II Annual Report for Permit Year 5 (“Annual Report for Year 5”) and requested the Board’s approval of and the authorization to submit the Annual Report for Year 5 to the TCEQ. After review and discussion, Director Escobar moved to approve the Annual Report for Year 5 and authorize Quiddity to submit it to the TCEQ. Director Oliver seconded the motion, which passed unanimously.

RESOLUTION AUTHORIZING APPLICATION TO THE TCEQ FOR APPROVAL OF PROJECT AND BONDS

Ms. Higgins requested the Board’s approval of a Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds (the “Resolution”). After review and discussion, Director Escobar moved to approve the Resolution. Director Oliver seconded the motion, which passed unanimously.

PARK AND RECREATIONAL MATTERS

Ms. Lee presented 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. 6 in the amount of \$45,080.50, payable to D.L. Meacham, LP (“Meacham”).

Ms. Lee updated the Board regarding construction of the Amenity Improvements project and reviewed and recommended approval of Pay Estimate No. 6 in the amount of \$45,080.50, payable to D.L. Meacham, LP (“Meacham”).

Ms. Lee reviewed and recommended approval of Change Order No. 5 to the contract with Meacham for the Amenity Improvements project to extend the contract time by six days due to weather delays, with no change in the contract amount. The Board determined that Change Order No. 5 is beneficial to the District.

Ms. Lee requested the Board’s approval of a proposal from Meacham in the amount of \$14,365.00 for additional electrical work at the pipeline easement playground. Ms. Lee stated that she will present the Change Order for the work at the April Board meeting.

After review and discussion, Director Escobar moved to (1) approve the landscape architect’s report; (2) based on the landscape architect’s recommendation, to approve Pay Estimate No. 6 in the amount of \$45,080.50; (3) approve Change Order No. 5 in the amount of \$0.00 to the contract with Meacham, based upon the Board’s finding that the Change Order is beneficial to the District and the engineer’s recommendation; and (4)

approve the proposal in the amount of \$14,365.00 for the electrical work. Director Oliver seconded the motion, which passed unanimously.

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

Mr. Wailes presented and reviewed an MSA Report, a copy of which is attached. He reviewed general maintenance, common area landscaping, inspections, and splash pad maintenance. Discussion ensued. Mr. Wailes stated that he will continue his efforts to coordinate with Superior LawnCare, LLC and WaterLogic, Inc. regarding irrigation matters. After review and discussion, Director Oliver moved to approve the MSA report. Director Escobar seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

There was no discussion regarding this agenda item.

2024 DIRECTORS ELECTION

Ms. Higgins discussed procedures related to the 2024 Directors Election. She presented and reviewed a Resolution Adopting Voting System of Fort Bend County (the "Resolution").

Ms. Higgins then reported that early voting roster(s) must be posted during the early voting period for the 2024 Directors Election.

After review and discussion, Director Oliver moved to (1) adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records; and (2) to authorize posting of the early voting roster(s) during the early voting period for the 2024 Directors Election, as required, and to direct that the rosters be filed appropriately and retained in the District's official records. Director Henry 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

The Board concurred to authorize ABHR to submit a letter to Precinct 4 requesting a 50% contribution for an anticipated sidewalk improvement project.

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 did not convene in Executive Session.

MEETING SCHEDULE

The Board concurred to hold its next regular meeting on April 11, 2024, at 9:00 a.m. at the offices of MDS.

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





Secretary, Board of Directors

LIST OF ATTACHMENTS

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