

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

August 8, 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 8th day of August, 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:

Christine Oliver	President
Ed Escobar	Vice President
Gregory Henry	Secretary
Ryan Andrasek	Assistant Vice President
Rick Bolanos	Assistant Secretary

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

Also attending the meeting were Richard Stolleis of Fort Bend Municipal Utility District No. 146 ("FB MUD 146"); Jason Johnson of Pape-Dawson Engineers; Lieutenant Cory Hansen of Fort Bend County Precinct 4 ("Precinct 4"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; Shammarie Leon of Bob Leared Interests, Inc.; Greg Lentz and Austin Ficken of Masterson Advisors, LLC; Joseph Hopper of Storm Water Solutions, LLC; Austin Muse of Municipal District Services ("MDS"); Justin Waggoner of Touchstone District Services, LLC ("Touchstone"); Lyndsay Evans of Quiddity Engineering, LLC; Josh Wailes of Mike Stone Associates, Inc. ("MSA"); and Whitney Higgins and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

SECURITY MATTERS AND FIRE PROTECTION SERVICES

The Board reviewed the security report from Precinct 4, a copy of which is attached. Lieutenant Hansen then further updated the Board regarding security matters in the District. Discussion ensued regarding security matters and potential options for enhanced security services.

The Board received a Fort Bend County Constable Contract Deputy Budget Proposal (the "Budget Proposal") for the twelve-month period of October 1, 2024, through September 30, 2025, estimated at \$386,150.00 annually, which would be \$32,180.00 monthly.

The Board then reviewed a letter from the City of Richmond (the "City"), a copy of which is attached, stating the City will increase the District's fire protection service fee

from \$14.37 to \$14.80 per household effective October 1, 2024, based upon the Consumer Price Index for all Urban Consumers (“CPI-U”).

Following review and discussion, the Director Escobar moved to (1) approve the Budget Proposal; (2) accept the City’s CPI-U Fire Protection Fee increase; and (3) authorize the amendment of the District’s Rate Order to reflect the 2024 fire protection service fee. Director Andrasek seconded the motion. The motion passed unanimously with all Directors voting in favor of the motion.

PUBLIC COMMENTS

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

The Board reviewed correspondence from a District resident regarding a request for sidewalk repair.

Mr. Stolleis introduced himself and Mr. Johnson and addressed the Board regarding his request to construct an FB MUD 146 water well on District property. Mr. Stolleis and Mr. Johnson then answered questions from the Board regarding the request.

There being no further public comments, Director Oliver moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the July 22, 2024, regular meeting. Following review and discussion, Director Escobar made a motion to approve the minutes of the July 22, 2024, regular meeting, as written. Director Bolanos seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING COLLECTION

The Board received and reviewed a Third Amendment to Residential Solid Waste Collection Contract (“Contract”) from Best Trash, LLC to (1) extend the term of the Contract until May 31, 2029; and (2) increase the monthly rate of compensation per residence to \$24.66 through May 31, 2025, for the addition of 48 gallon recycle carts. Following review and discussion, Director Escobar moved to (1) approve the Contract; and (2) approve the monthly rate of \$24.66. Director Henry seconded the motion, which passed unanimously.

ARBITRAGE REBATE REPORT

The Board received the Arbitrage Rebate Report for the District’s Series 2019 Refunding which was prepared by OmniCap Group (“OmniCap”). Ms. Higgins stated

that OmniCap has determined that the District does not owe any rebate or yield reduction payments for the bond issue.

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. Following review and discussion, Director Bolanos made a motion to (1) approve the bookkeeper's report and investment report; and (2) pay the District's bills as submitted. Director Andrasek 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 95.502% of the District's 2023 taxes were collected as of the meeting date. Following review and discussion, Director Andrasek 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 Escobar seconded the motion, which passed unanimously.

ADOPT RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR ELECTION OF THE BOARD OF DIRECTORS OF FORT BEND CENTRAL APPRAISAL DISTRICT

Ms. Higgins discussed the process for casting the District's ten allocated votes for a water district nominee to appear on the ballot in FBCAD's Board of Directors election. After review and discussion, Director Andrasek moved to (1) adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the FBCAD, casting the District's ten votes for Mike Rozell; and (2) direct that the Resolution be filed appropriately with FBCAD and retained in the District's official records. Director Escobar seconded the motion, which passed unanimously.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2024 tax rate. Mr. Ficken distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 water, sewer, and drainage debt service tax rate of \$0.48 per \$100 of assessed valuation, based on the District's initial 2024 certified value of \$543,344,468. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Ficken discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Bolanos moved to: (1) set the public hearing date for September 12, 2024; and (2) authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the District's meeting on September 12, 2024, to set the proposed 2024 total tax rate of \$0.94 per \$100 of assessed valuation, with \$0.48 allocated for debt service on water, sewer, and drainage bonds and \$0.46 allocated for operations and maintenance. Director Andrasek 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 stated that the three projects at the drainage channel should be complete by the September meeting. Following review and discussion, Director Es made a motion to approve the drainage facilities report. 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 July.

Mr. Muse requested the Board's authorization to send three accounts to collections in the amount of \$1,053.92.

The Board discussed the status of a possible Interlocal Agreement between the District and Precinct 4 for an anticipated sidewalk improvement project. Director Escobar reported that the matter would be on the August 13, 2024, Commissioner's Court agenda. The Board asked Mr. Muse to update the sidewalk survey to identify additional sidewalks for potential repair.

MDS CONTRACT AMENDMENT

Mr. Muse reviewed a Consumer Price Index ("CPI-U") adjustment notice for the District, a copy of which is attached, stating the current rate will increase by 2.66%. Mr. Muse then requested the Board's approval of an Amended Rate Order for certain installation and inspection fees.

HEARING ON TERMINATION OF WATER SERVICE

The Board concurred to defer terminations of delinquent accounts due to Hurricane Beryl.

After review and discussion, Director Bolanos moved to (1) approve the operator's report; (2) authorize MDS to send three accounts to collections in the amount of \$1,053.92; (3) approve the CPI-U adjustment; and (4) amend the Rate Order. Director Andrasek seconded the motion, which passed unanimously.

WEBSITE MATTERS

Mr. Waggoner presented and reviewed the Communications Report, a copy of which is attached. The Board asked Mr. Waggoner to create a tab on the District's website for the North Fort Bend Regional Water Authority ("NFBWA"). Following review and discussion, Director Escobar moved to approve the Communications Report. Director Andrasek seconded the motion, which passed unanimously.

NFBWA MATTERS

Mr. Muse had no updates regarding the Water Provider Conservation Program.

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 reported that Fort Bend County Municipal Utility District No. 118 returned the District's deposit related to the Texas Commission on Environmental Quality's alleged Supply Capacity Violation.

The Board discussed the request from FB MUD 146 regarding a potential site in the District to construct a water well. The Board asked Ms. Evans to contact FB MUD 146 to inquire whether alternative locations for the water well had been considered. The Board deferred further action on the matter.

DEEDS, EASEMENTS, AND PLATS

There was no discussion regarding this agenda matter.

MS4 STORM WATER MANAGEMENT PLAN

Ms. Evans requested the Board's approval of a Scope Memorandum in an amount not to exceed \$3,000.00 to provide a General Compliance Letter to the Texas Commission on Environmental Quality's ("TCEQ") regarding the District's required participation in a Municipal Separate Storm Sewer System ("MS4") Comprehensive Compliance Investigation for Permit Year 5 of the TCEQ's MS4 Program.

Following review and discussion, Director Andrasek moved to (1) approve the engineer's report; and (2) approve the Scope Memorandum. Director Bolanos seconded the motion, which passed unanimously.

PARK AND RECREATIONAL MATTERS

The Board received a report regarding recreational development projects in the District, a copy of which is attached.

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

Mr. Wailes presented and reviewed the MSA Report as more fully described in the report, a copy of which is attached. He reviewed general maintenance, common area landscaping, irrigation, inspections, and splash pad maintenance.

Mr. Wailes stated that MSA received a proposal to replace storm-damaged shade canopies at the Stoneroses pocket park in the amount of \$24,000.00. Mr. Wailes stated that he will coordinate with Ms. Stephanie Lee of KGA/DeForest Design, LLC to obtain additional proposals for shade canopies for the Stoneroses pocket park and a shade structure for benches at the Atmos Energy easement playground.

Mr. Wailes requested the Board's approval to pressure wash the Stoneroses pocket park in the amount of \$478.00 and the Sandstone Cavern pocket park/splashpad in the amount of \$530.00.

Mr. Wailes stated that MSA is working on the splash pad permit and will submit it to Fort Bend County with the District as the owner. Mr. Wailes requested the Board's approval to produce and install a maintenance sign at the splashpad in the amount of \$312.00. Mr. Wailes stated that a QR Code will be on the sign with Mr. Wailes' phone number as a contact for splashpad issues.

After review and discussion, Director Bolanos moved to (1) approve the MSA report; (2) authorize MSA to pressure wash the pocket parks in the total amount of \$1,008.00; and (3) authorize MSA to fabricate and install a sign at the splashpad in the amount of \$312.00. Director Escobar seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

There was no discussion regarding this agenda matter.

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


Director Bolanos discussed a webinar regarding microgrids.

MEETING SCHEDULE

The Board concurred to hold the next regular meeting on September 12, 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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