

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

January 11, 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 11th day of January, 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:

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 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; Charlie Chapline of Municipal District Services ("MDS"); Justin Waggoner and Michael Willett of Touchstone District Services, LLC ("Touchstone"); Lyndsay Evans of Quiddity Engineering, LLC ("Quiddity"); Greg Lentz of Masterson Advisors, 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 December 14, 2023, regular meeting. Following review and discussion, Director Escobar made a motion to approve the minutes of the December 14, 2023, regular meeting, as written. Director Oliver 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 requesting 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

Sergeant Garcia presented and reviewed a security report from Precinct 4 and two security statistics reports, copies of which are attached.

Director Bidmead discussed damage to District property and requested increased monitoring of the area by Precinct 4.

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.

ANNUAL DISCLOSURE STATEMENTS

In accordance with the District's Investment Policy, the Board considered the annual disclosure statements of Mark Burton and Ghia Lewis as the District's bookkeeper and investment officers, respectively. Ms. Higgins explained that the statements disclose any relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District, and stated that the disclosure statements will be filed with the Texas Ethics Commission and in the District records.

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; and (3) accept the disclosure statements as presented and to direct that the Report be filed appropriately and retained in the District's official records. Director Escobar seconded the motion, which passed unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Higgins reported on the District's post-issuance compliance activities during the prior calendar year related to bond financing. Ms. Higgins stated that no corrective action is 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 81% of the District's 2023 taxes were collected as of the meeting date. Following review and discussion, Director Oliver 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.

DRAINAGE FACILITIES REPORT

Mr. Hopper presented and reviewed a drainage facilities report, a copy of which is attached. Mr. Hopper updated the Board regarding the replacement of cross bars on the culverts at the drainage channel. After review and discussion, Director Oliver moved to approve the drainage facilities report. Director Escobar seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Chapline 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 December.

Mr. Chapline requested the Board's authorization to send three accounts to collections in the amount of \$1,825.84.

HEARING ON TERMINATION OF WATER SERVICE

Mr. Chapline 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 Oliver moved to (1) approve the operator's report; (2) authorize MDS to send three accounts to collections in the amount of \$1,825.84; 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 Escobar seconded the motion, which passed unanimously.

WEBSITE MATTERS

Mr. Waggoner presented and reviewed a Touchstone District Services Consulting Agreement ("Agreement") and Exhibits to the Agreement (1) A1 Website Build and Compliance Maintenance; (2) A2 Emergency Alert System; (3) A3 Director Email Accounts; and (4) A4 Contract Public Information Officer Services. Mr. Waggoner answered the Board's questions regarding Touchstone's hourly fee structure for their services. The Board concurred to form a Website Committee and appoint Directors Oliver and Escobar to the Website Committee. After review and discussion, Director Oliver moved to approve the Agreement and Exhibits A1 and A4. Director Escobar seconded the motion, which passed unanimously.

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

Ms. Higgins stated that the District may nominate a candidate to serve on the Authority's Board of Directors for Precinct No. 1. Following discussion, Director Oliver made a motion to adopt a Resolution Nominating a Candidate to Serve as a Director on the Board of Directors of the Authority Director Precinct No. 1, nominating Craig Lewis. Director Escobar seconded the motion, which carried unanimously.

Mr. Chapline stated the District's Water Usage Reporting Form must be submitted to the Authority by March 1, 2024. Following discussion, Director Oliver made a motion to authorize MDS to prepare and submit the Water Usage Reporting Form to Grand Mission Municipal Utility District No. 1 ("GMM1") for the final submission to the Authority. Director Escobar seconded the motion, which carried unanimously.

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 GMM1 received and approved CDC Unlimited, LLC's invoice numbers 25958, 26002, and 26106 in the total amount of \$10,744.50 for mowing of the regional detention facilities, of which the District's share is \$2,018.92.

Ms. Evans updated the Board regarding construction of the Water Plant Improvements Project and reviewed and recommended approval of Pay Estimate No. 6 in the amount of \$9,351.46, of which the District's share is \$1,665.50, payable to D&M Tank, LLC.

Ms. Evans stated that GMM1 began the design of possible Water Well No. 3 ("Well No. 3") at Water Plant No. 3. Ms. Evans stated that the District's estimated share of potential design and construction of Well No. 3 is \$1,047,913.00.

Ms. Evans presented and reviewed a ten-year capital improvement plan ("CIP"), a copy of which is attached to the engineer's report. Discussion ensued regarding the CIP.

Mr. Lentz presented and reviewed a Proforma Cash Flow Analysis, a copy of which is attached. Discussion ensued.

Ms. Evans presented and reviewed a Scope Memorandum for preparation of Bond Application Report No. 10 ("BAR 10") in the amount of \$50,550.00.

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) 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 \$10,744.50, of which the District's share is \$2,018.92; (3) based on the engineer's recommendation, approve Pay Estimate No. 6 in the amount of \$9,351.46, of which the District's share is \$1,665.50; (4) approve the Scope Memorandum for BAR 10 in the amount of \$50,550.00; and (5) authorize Quiddity to prepare BAR 10. Director Oliver seconded the motion, which passed unanimously.

2024 DIRECTORS ELECTION

Ms. Higgins discussed procedures related to the 2024 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2024 Directors Election Period.

Ms. Higgins reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2024 Directors Election.

Ms. Higgins stated that the District may contract with Fort Bend County (the "County") to conduct the District's 2024 Directors Election.

Following review and discussion, Director Escobar moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2024 Directors Election Period appointing Caroline Jones as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) authorize the Secretary's agent to post the notice as required; and (3) contract with the County to administer the District's election. Director Oliver seconded the motion, which was approved by unanimous vote.

PARK AND RECREATIONAL MATTERS

The Board received a report regarding landscaping projects in the District, a copy of which is attached. The Board reviewed the report regarding construction of the Amenity Improvements project and reviewed Pay Estimate No. 4 in the amount of \$100,383.00, payable to D.L. Meacham, LP ("Meacham").

The Board reviewed the KGA recommendation of approval of Change Order No. 2 to the contract with Meacham for the Amenity Improvements project to increase the contract in the amount of \$23,639.60. The Board determined that Change Order No. 2 is

beneficial to the District. The Board then reviewed the KGA recommendation of approval of Change Order No. 3 to the contract with Meacham for the Amenity Improvements project to extend the contract time by three days due to weather delays, with no change in the contract amount. The Board determined that Change Order No. 3 is beneficial to the District.

After review and discussion, Director Oliver moved to (1) based on the landscape architect's recommendation, to approve Pay Estimate No. 4 in the amount of \$100,383.00; (2) approve Change Order No. 2 in the amount of \$23,639.60 as an increase 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 (3) approve Change Order No. 3 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. Director Henry 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 a Parks and Landscape Management Report, a copy of which is attached. Mr. Wailes requested the Board's approval of hardscape and landscape items. Mr. Wailes recommended that the Board authorize KGA to create a formal landscape plan. Discussion ensued. After review and discussion, Director Oliver moved to approve (1) the demolition of a pergola on Jade Park Drive in the amount of \$1,600.00; (2) replace a no-soliciting sign in an amount not to exceed \$400.00; (3) replace a park sign in the amount of \$255.00; (4) perform landscape and drainage improvements at a pocket park on Stoneroses Trail in the amount of \$7,319.00; (5) perform landscape and drainage improvements at a pocket park on Sandstone Cavern Park in the amount of \$8,067.25; (6) perform landscape and drainage improvements at a pocket park on Mason Road in the amount of \$12,854.00; (7) perform an irrigation inspection in the amount of \$1,800.00; and (8) repair and replace irrigation valve boxes in the amount of \$2,798.00. Director Escobar seconded the motion, which passed unanimously.

The Board discussed a request from the Fieldstone Community Association, Inc. (the "HOA") for the repair of a sidewalk at 20551 Copper Cave Lane. The Board concurred to form an HOA Committee and appoint Directors Bidmead and Henry to the HOA Committee. The Board directed Mr. Wailes to follow up with the HOA regarding the request.

ATTORNEY'S REPORT

There was no discussion regarding this agenda item.

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 10:25 a.m. 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. Chapline, Ms. Evans, 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 10:30 a.m. After review and discussion, Director Bidmead moved to approve a Settlement Agreement and Mutual Release by and among GMM1, Grand Mission Municipal Utility District No. 2, Fort Bend County Municipal Utility District No. 143, and the District. Director Oliver seconded the motion, which passed unanimously

MEETING SCHEDULE

The Board concurred to hold its next regular meeting on February 8, 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

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