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MINUTES FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

February 7, 2023

The Board of Directors (the “Board”) of Fort Bend County Municipal Utility District No. 116 (the “District”) met in regular session, open to the public, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, on the 7th day of February, 2023, and the roll was called of the members of the Board:

Chad Millis	President
Dallas Duffy	Vice President
Angela W. Riley	Secretary
Kafi Dalcour	Assistant Secretary
Jesse Matthews	Assistant Vice President

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

Also attending the meeting in person or by teleconference were Lynn Franklin, a resident of the District; Matthew May and Dane Turner of Best Trash LLC (“Best Trash”); Roselyn Sanchez of Texas Pride Disposal (“Texas Pride”); Ferlin Justice of Frontier Waste Solutions (“Frontier Waste”); Christopher Forte and Ruama Gray of Royal Eagle Waste (“Royal Eagle”); Greg Lentz of Masterson Advisors LLC; David Beyer of Storm Water Solutions, LLC (“SWS”); Ryan Fortner of Revenue Management Services; Angie Hartwell of Touchstone District Services; Isabel Mata of Wheeler & Associates, Inc.; Mary Ann Mihills of Municipal Accounts & Consulting LP; Rick Marriott of Si Environmental LLC (“Si”); Asim Tufail of Blackline Engineering, LLC; and Adisa Harrington and Kathryn Blanton of Allen Boone Humphries Robinson LLP (“ABHR”).

Ms. Harrington noted that while this is an in-person meeting of the Board, certain consultants and/or members of the public are attending by teleconference.

PUBLIC COMMENT

Ms. Franklin reported a missing manhole cover located at Big Oak Canyon Drive. Mr. Marriott stated that Si will open a work order.

CONSENT AGENDA

The minutes of the January 3, 2023, regular meeting and consultant reports were provided in advance of the meeting. Director Matthews moved to approve the following consent items: (1) the minutes of the January 3, 2023, regular meeting, as submitted; (2) District development matters; (3) financial and bookkeeping matters, including approve the bookkeeper’s report and quarterly investment report; (4) reimbursement of eligible Association of Water Board Directors (“AWBD”) winter conference expenses and attendance at the AWBD summer conference; (5) tax assessment and collection matters; (6)

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the City of Richmond operations report; (7) the updated District Information Kit, subject to finalization; and (7) direct that, where appropriate, items are filed appropriately and retained in the District's official records. Director Riley seconded the motion, which passed unanimously. Copies of all reports approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

There were no items removed from the consent agenda.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

The Board considered adopting a Resolution Regarding Exemptions from Taxation. Mr. Lentz discussed the optional exemptions, including a general residential homestead exemption and a homestead exemption for disabled person or persons over 65 years of age, and reviewed an exemption analysis, a copy of which is attached.

Director Millis joined the meeting.

Following review and discussion, Director Duffy moved to adopt the Resolution Concerning Exemptions from Taxation providing for a \$15,000 exemption for persons who are over 65 or disabled and a 15% general residential homestead exemption. Director Matthews seconded the motion, which passed unanimously.

GARBAGE COLLECTION AND RECYCLING SERVICES

Ms. Sanchez reviewed a letter regarding new financing options by Texas Pride, a copy of which is attached. She reported resident complaints that were received in January. She discussed designating a Director to act as a point of contact in order to better communicate with the residents of the District. The Board directed Texas Pride to coordinate with Director Matthews as the point of contact for the District. Ms. Sanchez stated that Texas Pride will communicate with Director Matthews, Ms. Hartwell, and Ms. Blanton regarding potential missed collections. Director Millis requested that Texas Pride prepare an action plan to address ongoing collection and communication issues and send it to Ms. Blanton to be distributed to the Board. Discussion ensued regarding the proposed Amendment No. 2 to Residential Solid Waste Collection Agreement (the "Amendment") with Texas Pride.

Mr. May presented a proposal for garbage and recycling collection services with Best Trash, a copy of which is attached. He discussed potential garbage and recycling collection days, times, and associated fees. Director Millis asked for clarification regarding the length of the contract as well as Consumer Price Index ("CPI") increases. Mr. May stated that the price in the proposal is for one year with the automatic CPI increase to start at the beginning of year two.

Mr. Justice presented a proposal for garbage and recycling collection services with Frontier Waste, a copy of which is attached. He discussed potential garbage and recycling collection days, times, and associated fees. Director Millis asked for clarification on how Frontier Waste handles customer complaints. Mr. Justice stated that customer complaints are

handled within 24 hours and the District will be assigned an individual customer service representative. Ms. Harrington requested more information on the additional fuel surcharge. Mr. Justice stated that he will have the municipal group provide additional information. Director Duffy requested a list of Municipal Utility Districts serviced by Frontier Waste.

Mr. Forte presented a proposal for garbage and recycling collection services with Royal Eagle, a copy of which is attached. He discussed potential garbage and recycling collection days, times, and associated fees. Ms. Gray introduced herself as the community outreach representative for Royal Eagle. Mr. Forte stated that the proposal will be valid indefinitely.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills stated that she received AWBD expenses from Directors Dalcour and Matthews, both of which comply with the District's Travel Reimbursement Guidelines.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Mata discussed the status of tax collections for the 2022 tax year.

REVENUE MANAGEMENT SERVICES

Mr. Fortner presented and reviewed a Q1 (First Quarter) Strategic Partnership Agreement Audit, a copy of which is attached.

OPERATOR'S REPORT

Mr. Marriott reviewed the operator's report with the Board, including monthly repair and maintenance items, as outlined in the report. A copy of the operator's report is attached. He stated the water accountability for the last billing period was 96.38%.

Mr. Marriott reviewed significant repairs and maintenance for certain sanitary storm sewers and water wells, as detailed in the operator's report.

Mr. Marriott stated that he will present a list of anticipated repairs to be completed in 2023 at the next meeting.

Mr. Marriott presented 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 of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

Following review and discussion, Director Matthews moved to: (1) approve the operator's report; (2) authorize termination of delinquent accounts, in accordance with the District's Rate Order; and (3) direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Riley seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Tufail presented and reviewed the engineer's report, a copy of which is attached.

Mr. Tufail provided an update regarding the construction of the Water and Sanitary Sewer Extensions near Williams Way and the City of Richmond Wastewater Treatment Plant. He stated that construction has been completed and the one-year acceptance date is August 9, 2023.

Mr. Tufail provided an update regarding the construction of the District-Wide Lift Station Modifications. He then reviewed and recommended approval of Pay Estimate No. 8 and Final in the amount of \$30,366.90 payable to McDonald Municipal and Industrial ("McDonald") for construction of the District-Wide Lift Station Modifications, to be released upon the completion of the final punchlist items.

Mr. Tufail then discussed the plans and specifications for the water plant no. 1 fence repair. He stated that the updated estimated cost of the project is \$500,000.00. He then recommended monitoring construction pricing and bidding in late 2023.

Mr. Tufail provided an update regarding the City of Richmond Wastewater Treatment Plant.

Mr. Tufail provided an update regarding the trail system survey work, stating that the surveyor has not yet completed the metes and bounds.

Mr. Tufail stated that construction is underway at the Territory at Williams Way and the Tesla Dealership.

Mr. Tufail reported on the GIS System, stating that the latest work orders have been submitted.

After review and discussion, Director Duffy moved to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 8 and Final in the amount of \$30,366.90 payable to McDonald for the District-Wide Lift Station Modifications, to be released upon completion of the final punchlist items. Director Matthews seconded the motion, which passed unanimously.

PHASE II SMALL MS4 GENERAL PERMIT AND STORM WATER MANAGEMENT PLAN ("SWMP")

Mr. Beyer updated the Board on the District's SWMP. He distributed and reviewed the year 4 annual report for the SWMP and a summary of the year 5 training and goals under the SWMP, copies of which are attached. He presented a utility bill insert regarding yard waste, hazardous waste, and pet waste, a copy of which is also attached.

Mr. Beyer began his training session with the Board and other consultants. He stated the topic of the year 5 training is stormwater pollution prevention, the minimum control

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measures, and bacteria-specific elements. Mr. Beyer explained the importance of keeping household hazardous waste, pet waste, and yard waste out of the storm sewers, to prevent adding to bacterial impairment. He then continued with the training, thoroughly explaining the sources of bacteria and outlining the program elements of the SWMP that deal with these sources.

Mr. Beyer reported that the Texas Commission on Environmental Quality has completed the technical review of the permit application and SWMP and has made the preliminary decision to approve the District's permit.

Following review and discussion, Director Duffy moved to approve the year 4 annual SWMP report and the utility bill insert. Director Matthews seconded the motion, which passed unanimously.

DISTRICT WEBSITE AND COMMUNICATION MATTERS

Ms. Hartwell reviewed Touchstone's monthly communications report, a copy of which is attached.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board convened in executive session at 1:42 pm pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with the District's attorney to discuss pending or contemplated litigation, or a settlement offer. ABHR was also present.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 1:59 p.m.

Director Duffy moved to rescind approval of the Amendment and to continue with the current contract terms, which does not include the 11.6% additional price increase. Director Riley seconded the motion, which passed unanimously.

The Board concurred to hold the next meeting on March 7, 2023.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

Secretary, Board of Directors

(SEAL)

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