

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

July 11, 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 2600, Houston, Texas, outside the boundaries of the District, on the 11th day of July, 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 Chris Herrin of Infrastructure Construction Services; Michael Willett and Justin Waggoner of Touchstone District Services ("Touchstone"); Ryan Fortner with Revenue Management Services; Isabel Mata of Wheeler & Associates, Inc.; Mary Ann Mihills of Municipal Accounts & Consulting LP ("MAC"); Rick Marriott of Si Environmental LLC ("Si"); Asim Tufail of Blackline Engineering, LLC ("Blackline"); and Adisa Harrington, Jordan Fine 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

Mr. Herrin introduced himself to the Board and stated that he is associated with Infrastructure Construction Services.

CONSENT AGENDA

The minutes of the June 13, 2023, regular meeting and consultant reports were provided in advance of the meeting. After discussion, Director Matthews moved to approve the following consent items: (1) the minutes of the June 13, 2023, regular meeting, as submitted; (2) District development matters; (3) financial and bookkeeping matters; (4) tax assessment and collection matters; (5) the City of Richmond (the "City") operations report; and (6) direct that, where appropriate, items are filed appropriately and retained in the District's official records. Director Duffy seconded the motion, which passed unanimously. Copies of all reports approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

No items were removed from the consent agenda.

GARBAGE COLLECTION AND RECYCLING SERVICES

There was no discussion regarding this matter.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills noted that check no. 8484 in the amount of \$75,580.13 payable to Si includes the Consumer Price Index increase.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

It was noted that no directors attended the AWBD summer conference. The Board considered authorizing attendance at the winter conference. After discussion, Director Riley moved to authorize attendance of any interested Directors at the winter conference. Director Duffy seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING DIRECTOR FEES OF OFFICE AND DISTRICT REIMBURSEMENT POLICY

Ms. Harrington stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation.

The Board then considered adopting a Resolution Establishing Director Fees of Office and District Reimbursement Policy to reflect that directors' fees of office shall be paid at the maximum rate allowed by law, noting that this would replace the previously adopted Resolution. After review and discussion, Director Riley moved to adopt a Resolution Establishing Director Fees of Office and District Reimbursement Policy, effective June 18, 2023, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Duffy seconded the motion, which passed unanimously.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Mata discussed the current 2022 tax collection rate.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

The Board considered the District's 2023 tax rate. Ms. Harrington discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2023 tax year.

Following discussion, Director Matthews moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed District for the 2023 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Duffy seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Harrington reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing the execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Harrington explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Matthews moved to authorize execution of the Amendment to Information Form and to authorize filing with Fort Bend County and the TCEQ. Director Duffy seconded the motion, which passed unanimously.

RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR FORT BEND CENTRAL APPRAISAL DISTRICT ("FBCAD")

Ms. Harrington stated the Board has the opportunity to nominate a candidate for the FBCAD Board. Following discussion, the Board concurred to take no action on this item.

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 97.27%.

Mr. Marriott discussed significant repairs to four tap lines, replacement of meters, and provided an update regarding the status of Board-approved sanitary sewer manhole repairs identified in the survey.

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 Millis 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 Matthews seconded the motion, which passed unanimously.

INTERLOCAL AGREEMENT WITH FORT BEND SUBSIDENCE DISTRICT

The Board reviewed an Interlocal Agreement with Fort Bend Subsidence District for the Water Conservation Education Program for the 2023-2024 school year (the "Interlocal Agreement"). After discussion, Director Millis moved to approve the Interlocal Agreement. 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 Water and Sanitary Sewer Extensions near Williams Way and the City Wastewater Treatment Plant. He stated that the one-year acceptance inspection is approaching and that Blackline is coordinating the inspection with the City.

Mr. Tufail then discussed the plans and specifications for the water plant no. 1 fence repair, noting that the current estimated cost is \$500,000.00. He recommended monitoring construction pricing and bidding the project later this year.

Mr. Tufail provided an update regarding the City Wastewater Treatment Plant, noting that the average annual cost for sludge hauling ranges from about \$50,000 to \$60,000 and could fluctuate higher or lower depending on the timing of sludge hauls. He reported that the City is seeking to re-rate the Wastewater Treatment Plant permit in order to accommodate new development. Mr. Tufail stated that Blackline is coordinating with ABHR

to amend the Regional Wastewater Treatment Plant Agreement to reflect the expanded capacity and new pro rata shares. Discussion ensued.

Mr. Tufail provided an update regarding the trail system survey work, stating that Blackline is awaiting further instructions. Ms. Harrington reported that ABHR is coordinating with Land Tejas Development to resolve ownership issues associated with certain tracts to be conveyed to the District for the trail system.

Mr. Tufail provided an update regarding the City's Utility Extension Project located at Williams Way Boulevard and Highway 59, stating that Blackline reviewed the plans for discharge into the Wastewater Treatment Plant and issued a letter of no objection.

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

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

Following review and discussion, Director Duffy moved to approve the engineer's report. Director Millis seconded the motion, which passed unanimously.

PHASE II SMALL MS4 GENERAL PERMIT AND STORM WATER MANAGEMENT PLAN

There was no discussion regarding this matter.

DISTRICT WEBSITE AND COMMUNICATION MATTERS

Mr. Willett reviewed Touchstone's monthly communications report, a copy of which is attached.

REPORT ON LEGISLATIVE MATTERS

Ms. Harrington reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

OPERATION MATTERS (CONT.)

Director Millis discussed a resident concern regarding overhanging trees along the District fence line located on Cape View Cove, stating that the resident has requested that the District trim the trees. Mr. Marriott stated that Si will coordinate with Director Millis and complete the tree trimming.

ENGINEERING MATTERS (CONT.)

Discussion ensued regarding the Lake of Williams Ranch Owners Association's request that the District contribute towards the cost of maintaining the landscaped area near the entrance to Lakes of Williams Ranch. Mr. Tufail reported that the area is located in the road right-of-way, that all subdivision entrances in the District have similar landscaped areas in the road right-of-way, and that the landscaped areas are owned but not maintained by Fort

Bend County. Discussion ensued, and the Board deferred action pending receipt of additional information.

The Board concurred to hold the next meeting on August 1, 2023, at 12:00 p.m.

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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