

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

August 1, 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 1st day of August, 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; Chris Herrin of Infrastructure Construction Services; Angie Hartwell of Touchstone District Services ("Touchstone"); Greg Lentz of Masterson Advisors LLC; Ryan Fortner of Revenue Management Services; Isabel Mata and Donna Washington of Wheeler & Associates, Inc.; Mary Ann Mihills of Municipal Accounts & Consulting LP; Rick Marriott of Si Environmental LLC; Asim Tufail of Blackline Engineering, LLC ("Blackline"); 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. Harrington reported that two residents have expressed interest in joining the Board.

CONSENT AGENDA

The minutes of the July 11, 2023, regular meeting and consultant reports were provided in advance of the meeting. Following discussion, Director Matthews moved to approve the following consent items: (1) the minutes of the July 11, 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 Millis 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 reported that the District has received payment from CTE - Pet Suites for the outstanding balance.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Mata discussed the current 2022 tax collection rate.

The Board discussed the outstanding 2022 taxes on Director Lot 1. Following discussion, Director Millis moved to write off the outstanding 2022 District taxes and to pay the outstanding 2022 Fort Bend County taxes on Director Lot 1. Director Duffy seconded the motion, which passed unanimously.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Lentz distributed and reviewed a debt service tax rate analysis, a copy of which is attached. Discussion ensued and the Board determined to publish notice of the 2023 tax rate at \$0.76, with \$0.32 allocated to debt service and \$0.44 allocated to operations and maintenance. Mr. Lentz discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Duffy moved to: (1) set the public hearing date for September 5, 2023; and (2) authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the District's meeting on September 5, 2023, to set the proposed 2023 total tax rate of \$0.76 per \$100 of assessed valuation, with \$0.32 allocated for debt service on water, sewer, and drainage bonds and \$0.44 allocated for operations and maintenance. Director Matthews seconded the motion, which passed unanimously.

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

The Board discussed current candidates for the water district nominee for the election of the Board of Directors of the Fort Bend Central Appraisal District. Following discussion, Director Millis moved to cast the District's ten votes in favor of Michael D. Rozell. Director Riley seconded the motion, which passed unanimously.

REVENUE MANAGEMENT SERVICES

Mr. Fortner presented and reviewed a Q3 (Third Quarter) Strategic Partnership Agreement Audit (the "Q3 SPA Audit"), a copy of which is attached. Following review and discussion, Director Riley moved to accept the Q3 SPA Audit. Director Duffy seconded the motion, which passed unanimously.

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 85.09%, noting that Si is investigating the low accountability.

Mr. Marriott discussed significant repairs to a televised sanitary sewer line, including excavation and replacement of a sanitary sewer stack and connection.

Mr. Marriott provided an update regarding the manhole valve repairs, stating that they are in progress.

Mr. Marriott provided an update regarding overhanging trees along the District fence line located on Cape View Cove, stating that the tree trimming is scheduled to be completed on August 3, 2023 at a cost of \$850.

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 Duffy seconded the motion, which passed unanimously.

REVIEW FIRE PROTECTION FEE INCREASE AND AMEND RATE ORDER

The Board reviewed a notice of fire protection fee increase from the City of Richmond, a copy of which is attached. The Board considered amending the District's Rate Order to pass through the cost increase to customers. After discussion, Director Matthews moved to amend the District's Rate Order to reflect the increased City fire Protection fee from \$16.40 to \$16.89 per household and each 2,000 square feet of building floor area for improved nonresidential properties. Director Duffy 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 Blackline is coordinating the inspection with the City.

Mr. Tufail provided an update regarding the City Wastewater Treatment Plant, noting that Blackline is monitoring sludge hauling costs. He then updated the Board on the City's recent re-rating of the Wastewater Treatment Plant permit Ms. Harrington added that she has reached out to the City of Richmond regarding the need to amend the Regional Wastewater Treatment Plant Agreement to reflect the expanded capacity and new pro rata shares.

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 discussed the potential annexation of a 17.5 acre tract to be developed as multi-family. He requested Board authorization to conduct a feasibility study. Discussion ensued regarding current capacity. Mr. Tufail stated that Blackline will

contact the Texas Commission on Environmental Quality regarding a potential elevated storage tank waiver.

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

Ms. Harrington provided an update regarding the trail system survey work, stating 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.

Following review and discussion, Director Millis moved to approve the engineer's report. Director Riley seconded the motion, which passed unanimously. The Board concurred to table the feasibility study.

DISTRICT WEBSITE AND COMMUNICATION MATTERS

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

The Board concurred to hold the next meeting on September 5, 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)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper’s report	1
Tax assessor/collector’s report and delinquent tax roll	1
City of Richmond operations report	1
Tax rate analysis	2
Q3 SPA Audit.....	3
Operator’s report	3
City of Richmond notice of fire protection fee increase	4
Engineer’s report.....	4
Website and communications report.....	5