

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

September 7, 2021

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, and the roll was called of the members of the Board:

Chad Millis	President
Kevin Friday	Vice President
Angela Wood	Secretary
Kafi Dalcour	Assistant Secretary
Dallas Duffy	Assistant Vice President

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

Also attending the meeting were Lynn Franklin, a resident of the District; Greg Lentz and Chase Eastland of Masterson Advisors LLC (“Masterson”); Alex Schmid with Texas Pride Disposal (“Texas Pride”); Michelle Johnson and Angie Hartwell of Touchstone District Services (“Touchstone”); Isabel Mata and Cathy Wheeler of Wheeler & Associates, Inc. (“Wheeler”); Mary Ann Mihills of Municipal Accounts & Consulting LP (“MAC”); Rick Marriott of Si Environmental, LLC (“Si”); Jeff Martin of Blackline Engineering, LLC (“Blackline”); and Adisa Harrington and Lelia Pappas of Allen Boone Humphries Robinson LLP (“ABHR”).

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

PUBLIC COMMENT

Ms. Franklin requested an update on the Board’s plans to repaint fire hydrants in the District.

CONSENT AGENDA

The minutes of the August 3, 2021 regular meeting and consultant reports were provided in advance of the meeting. After discussion, Director Duffy moved to remove item 2(i) from the consent agenda and approve the following consent items: (1) the minutes of the August 3, 2021 regular meeting, as submitted; (2) District development matters; (3) the Arbitrage Rebate Report for the Series 2011 Refunding Bonds; (4) financial and bookkeeping matters; (5) tax assessment and collection matters; (6) the City of Richmond Regional Wastewater Treatment Plant (“RWWTP”) operations report; and (7) 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

REPORTS FROM DIRECTORS AND CONSULTANTS ON DISTRICT MATTERS

Ms. Harrington reported that the Association of Water Board Directors (“AWBD”) is requesting that the Board designate a voting representative for the AWBD bylaws election. After discussion, the Board concurred to appoint Director Millis as the District’s voting representative for the AWBD bylaws election.

REQUESTS FROM HOMEOWNERS’ ASSOCIATION FOR CONTRIBUTION FOR RECREATIONAL FACILITIES, STREET LIGHTS, AND SECURITY PATROL COSTS

Discussion ensued regarding potential requests from the homeowners’ associations for contributions. After discussion, the Board requested that ABHR contact the homeowners’ associations to determine whether they have any requests for contributions towards recreational facilities, streetlights, or security patrol costs and present the requests at the October Board meeting. The Board further requested that the District’s financial advisor update the pro rata share calculations for the various homeowners’ associations.

REVIEW AND AMEND RATE ORDER

The Board considered amending the District’s Rate Order to reflect the increased City of Richmond Fire Protection Fee from \$14.27 to \$15.04 per household and each 2,000 square feet of building floor area for improved nonresidential properties. After discussion, Director Millis moved to amend the District’s Rate Order to reflect the increased City of Richmond Fire Protection fees from \$14.27 per household to \$15.04 per household. Director Duffy seconded the motion, which passed unanimously.

GARBAGE COLLECTION AND RECYCLING SERVICES

Mr. Schmid updated the Board on garbage and recycling in the District, noting that there were fewer collection issues last month than in previous months.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills reported that the developer of the CCRT tract has been invoiced for the required \$20,000 annexation deposit.

Ms. Mihills reported that Director Friday is the only Director registered for the AWBD winter conference and noted that she will cancel his registration due to his intent to resign from the Board.

REVIEW DEBT PAYMENT OPTIONS AND TAKE APPROPRIATE ACTION

Mr. Lentz reviewed a Cash Redemption Analysis of the District's outstanding bonds as of September 2, 2021, a copy of which is attached. Discussion ensued and the Board concurred to take the appropriate steps to prepay the remaining amounts owed on the District's Unlimited Tax Bonds, Series 2013A (the "Series 2013A Bonds"). After discussion, Director Duffy moved to approve execution of a Notice to Paying Agent of Bond Redemption and authorize the District's financial advisor and attorney to take all necessary steps to prepay the remaining amounts owed on the District's Series 2013A Bonds. Director Millis seconded the motion, which passed unanimously.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

The Board considered ratifying the Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developed District for the 2021 tax year.

The Board next considered approving a depository pledge agreement with Allegiance Bank.

After discussion, Director Millis moved to (1) ratify the Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developed District for the 2021 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; and (2) approve the Depository Pledge Agreement with Allegiance Bank, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Wood seconded the motion, which passed unanimously.

The Board took no action on the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.

TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202, GOVERNMENT CODE, AND RELATED CONTRACT AMENDMENT

Ms. Harrington discussed recent legislation enacting Section 2051.202, Texas Government Code, which requires certain special purpose districts to post or cause to be posted additional information on a website maintained by or accessible to the District. She said the new requirements apply to districts that levy a property tax, are required to prepare an annual audit, and have a population of 500 or more as of the beginning of the most recent fiscal year. Ms. Harrington reviewed a summary of the new requirements, a copy of which is attached.

The Board discussed the applicability of the new posting requirements to the District and the possibility of expanding the website used by the District for compliance with previously-enacted transparency requirements. Ms. Harrington noted that the new posting requirements will overlap with some items that are currently being posted on the District's

website and that certain information is no longer required to be posted on the District's website. Discussion ensued and the Board concurred to continue posting the information that is currently being posted to the District website.

Ms. Mata discussed the services currently provided by Wheeler to implement existing transparency requirements, including ensuring that information posted on the website is accurate and current. She presented a proposed amendment to the District's contract with Wheeler to incorporate the new posting requirements on the existing website. The Board deferred action until later in the meeting.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Harrington stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2021 total tax rate of \$0.97.

Ms. Harrington opened the public hearing. There being no comments from the public, Ms. Harrington closed the public hearing.

Ms. Harrington presented an Order Levying Taxes (the "Order") reflecting the proposed 2021 tax rate. She then presented an Amendment to Information Form (the "Amendment") reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Fort Bend County.

After review and discussion, Director Duffy moved to (1) adopt the Order reflecting a total 2021 tax rate of \$0.95 per \$100 of assessed valuation, comprised of \$0.55 to pay debt service on water, sewer, and drainage bonds, and \$0.40 for operations and maintenance; (2) authorize execution of the Amendment; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Wood seconded the motion, and the motion passed by unanimous vote.

TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202, GOVERNMENT CODE, AND RELATED CONTRACT AMENDMENT (CONTINUED)

Ms. Wheeler discussed the cost to the District to add the additional transparency information on the District's transparency website, noting that it will amount to approximately two hours of additional billable time per month. After review and discussion, Director Duffy moved to approve the Amendment to the Agreement for Services of Tax Assessor and Collector between the District and Wheeler as presented and direct that the Amendment be filed appropriately and retained in the District's official records. Director Millis seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT; TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Marriott reviewed the operator's report with the Board, including monthly repair and maintenance items. A copy of the operator's report is attached. He stated the water accountability for the last billing period was 98.48%.

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.

Mr. Marriott reviewed a proposal to repair and repaint fire hydrants in the District for an approximate cost of \$11,845.

Mr. Marriott then presented a proposal to repair a fence at the wastewater treatment plant for a total cost of \$3,240. Discussion ensued regarding whether the District should consider replacing the fence instead of repairing it. After discussion, the Board concurred to repair the fence.

After 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 direct that the delinquent customer list be filed appropriately and retained in the District's official records; (3) repair and repaint the fire hydrants in the District for an approximate cost of \$11,845; and (4) repair a fence at the wastewater treatment plant for a total cost of \$3,240. Director Wood seconded the motion, and the motion passed unanimously.

ENGINEER'S REPORT

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

Mr. Martin provided an update on the waterline loop along FM 762 (the "Waterline Loop Project"), noting that he is awaiting the final inspection.

Mr. Martin updated the Board on the water and sanitary sewer extension project near Williams Way and the City of Richmond Wastewater Treatment Plant, noting that the pre-construction meeting with the City of Richmond is being scheduled.

Mr. Martin provided an update on the status of the Fort Bend Levee Improvement District No. 11 ("FBLID 11") levee raising project and pump station improvements, noting that the Pump Station No. 1 project is 70% complete.

Mr. Martin updated the Board on the potential annexation of a tract located at Crabb River Road and the future Highway 99. Ms. Harrington noted that the required annexation deposit has not yet been received from the landowner.

Mr. Martin updated the Board on the Middle Bayou Drainage Fee Strip Encroachment/ Acquisition, noting that negotiations with FBLID 11 and the tract owner are continuing.

Discussion ensued regarding potential sites for a new water plant.

After review and discussion, and based upon the engineer's recommendation, Director Millis moved to approve the engineer's report. The motion was seconded by Director Duffy, and the motion passed unanimously.

APPROVE OUT-OF-DISTRICT SERVICE AGREEMENT WITH FORT BEND COUNTY ROAD AND BRIDGE

The Board tabled action on this agenda item.

PARK AND RECREATIONAL FACILITIES

The Board discussed the date for the next parks subcommittee meeting.

REPORTS FROM DIRECTORS AND CONSULTANTS (CONTINUED)

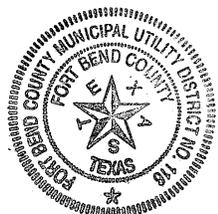
Ms. Harrington reported that Director Friday has tendered his resignation from the Board. Discussion ensued regarding possible replacements to fill the vacancy.

DISTRICT WEBSITE AND COMMUNICATION MATTERS

Ms. Johnson reviewed Touchstone's monthly communications report and a proposal for an Emergency Alert System, copies of which are attached. After review and discussion, Director Millis moved to (1) approve the communications report; and (2) approve the proposal for an Emergency Alert System. The motion was seconded by Director Duffy and passed unanimously.

Ms. Johnson reported that Angie Hartwell will be taking over as the District's representative from Touchstone.

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



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Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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