

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

October 5, 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, on the 5th day of October, 2021, 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 Directors Friday and Dalcour, thus constituting a quorum.

Also attending the meeting were Megan Fortner and Derek Michael of Sales Revenue Inc. (“SRI”); Greg Lentz of Masterson Advisors LLC (“Masterson”); Kevin Atkinson of Texas Pride Disposal (“Texas Pride”); Ryan Fortner of Revenue Management Services (“RMS”); Angie Hartwell of Touchstone District Services (“Touchstone”); Isabel Mata of Wheeler & Associates, Inc. (“Wheeler”); Mary Ann Mihills of Municipal Accounts & Consulting LP (“MAC”); Rick Marriott and Kyle Donham of Si Environmental, LLC (“Si”); Asim Tufail 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, certain consultants and/or members of the public are attending via videoconference and teleconference.

PUBLIC COMMENT

There were no comments from the public.

CONSENT AGENDA

The minutes of the September 7, 2021, regular meeting and consultant reports were provided in advance of the meeting. After discussion, Director Duffy moved to approve the following consent items: (1) the minutes of the September 7, 2021 regular meeting, as submitted; (2) District development matters; (3) financial and bookkeeping matters; (4) tax assessment and collection matters; (5) the City of Richmond Regional Wastewater Treatment Plant (“RWWTP”) 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.

RECEIVE PRESENTATION AND PROPOSAL FROM RMS, AND, IF APPROPRIATE, TERMINATE EXISTING SALES TAX MONITORING AGREEMENT WITH SRI AND ENTER INTO NEW AGREEMENT WITH RMS

Mr. Fortner presented and reviewed a proposal from RMS for sales tax monitoring services. He responded to Board members' questions and comments.

Ms. Fortner discussed SRI's service to the District since 2018. She then noted businesses that have been identified and added to the District's rolls since the last quarterly report was presented.

Mr. Michael then reviewed the quarterly sales tax report prepared by SRI, a copy of which is attached.

The Board then discussed terminating the current contract with SRI and entering into an agreement with RMS for sales tax monitoring services.

After discussion, Director Millis moved to (1) terminate the contract with SRI for sales tax monitoring services; and (2) approve the proposal and Agreement for Services for Sale Tax Monitoring with RMS. Director Duffy seconded the motion, which passed by unanimous vote.

REQUESTS FROM HOMEOWNERS' ASSOCIATION FOR CONTRIBUTIONS FOR RECREATIONAL FACILITIES, STREETLIGHTS, AND SECURITY PATROL COSTS

Ms. Harrington reported that ABHR has contacted all of the homeowners associations in the District regarding requests for District contributions towards recreational facilities, streetlights, and security patrol costs. She added that any such requests will be presented at the November Board meeting. Ms. Pappas noted that, to date, ABHR has only received a request from the Lakes of Williams Ranch Owners Association.

GARBAGE COLLECTION AND RECYCLING SERVICES

Mr. Atkinson reviewed a monthly report from Texas Pride, a copy of which is attached, and discussed garbage and recycling collection in the District. The Board noted that they have not received any resident complaints or concerns since the last meeting.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills noted Pay Application No. 4 in the amount of \$9,595.13 for the waterline loop along FM 762 payable to Vera Industries, LLC ("Vera").

Ms. Mihills reported on the District's financial reserves.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no discussion on this agenda item.

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 92.64%.

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.

Ms. Harrington reviewed a memorandum regarding customer confidentiality, which states that Section 182.052 of the Utilities Code was amended by the 87th Texas Legislature, Regular Session to require government-operated utilities, including water districts, to keep certain customer information confidential unless the customer requests disclosure to third parties. This information includes: (i) personal information in a customer's account record (address, telephone number, or social security number); (ii) information relating to the volume or units of utility usage; and (iii) the amounts billed to or collected from the individual for utility usage.

Mr. Marriott requested Board authorization to include pool inspection and garbage messages on the next water bill.

Ms. Harrington stated that the District is required to submit projections of total water demands for next year to the Groundwater Reduction Plan Administrator for the City of Richmond ("City") and requested authorization for the operator to submit the projections.

After review and discussion, Director Duffy 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) authorize the operator to send notice of pool inspections with the next water bill; and (4) authorize the operator to submit projections of total water demands for next year to the City. Director Wood seconded the motion, and the motion passed unanimously.

UPDATE ON GROUNDWATER REDUCTION PLAN ("GRP") PARTICIPATION AGREEMENT

Ms. Harrington reported that she has not yet received an update from the City regarding the GRP fee.

ENGINEER'S REPORT

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

Mr. Tufail updated the Board on the water and sanitary sewer extensions along FM 762 (the "Group 1 Automotive Project"), noting that he expects that this project will be ready to close out in November.

Mr. Tufail provided an update on the waterline loop along FM 762 (the "Waterline Loop Project"). He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$397,020 payable to Vera.

Mr. Tufail then updated the Board on the trail system, noting that the individual property ownership exhibits are being finalized.

Mr. Tufail then provided an update on the master drainage study, noting that he is revising the report.

Mr. Tufail 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 90% complete.

Mr. Tufail reported that construction is underway for PetSuites River Pointe.

Mr. Tufail updated the Board on the status of the Territory at Williams Way (the "DPEG Williams Way Multifamily project"), reporting that he is addressing comments provided by Si.

Mr. Tufail discussed a request from Full Tunnel Carwash for a utility commitment of approximately 42 equivalent single family connections. He noted that accommodating this request would potentially affect the CCRC Annexation Tract capacity availability.

Discussion then ensued regarding the CCRC Annexation Tract. Ms. Harrington noted that the annexation deposit has not been paid and Mr. Tufail reported that the alternative capacity request ("ACR") may take approximately six months. After discussion, the Board requested that Mr. Tufail contact the owner of the CCRC Annexation Tract to explain the District's current capacity limitations.

Mr. Tufail updated the Board on the status of the Fort Bend County Road and Bridge Out-of-District service request, noting that he is awaiting the final plans.

Mr. Tufail then updated the Board on the status of the potential annexation at Crabb River Road and the future Highway 99 tract, noting that it will be a mixed-use space including retail, apartments, and a recreational center.

Ms. Harrington reported on an inquiry received from out-of-District landowner Niranjan Patel regarding potential District service.

Mr. Tufail provided an update on the District-wide lift station modifications, noting that he is scheduling a pre-construction meeting with the City.

Mr. Tufail reported that Blackline is preparing the ACR to submit to the Texas Commission on Environmental Quality.

Discussion ensued regarding potential sites for a new water plant. Ms. Harrington noted that there are limited options available in the District and the Board may need to consider site owners outside the District that are interested in annexation. Ms. Harrington then discussed the Landowner Bill of Rights.

Mr. Tufail then discussed the Middle Bayou Drainage Fee Strip Encroachment/Acquisition. He reported that FBLID 11 is negotiating with the landowner regarding drainage requirements for the tract. Discussion ensued regarding a parking lot on the tract that is encroaching on the District's drainage ditch, and the Board concurred to consider granting a Consent to Encroachment for the parking lot, subject to the landowner paying an appropriate encroachment fee that will cover the District's costs.

After review and discussion, and based upon the engineer's recommendation, Director Duffy moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 4 for construction of the Waterline Loop Project in the amount of \$9,595.13 payable to Vera. The motion was seconded by Director Millis, 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

There was no further discussion on this agenda item.

DISTRICT WEBSITE AND COMMUNICATION MATTERS

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

The Board then discussed presenting Director Friday with a resolution and/or a plaque to honor his 23 years of service to the District. After discussion, the Board concurred to present Director Friday with both a resolution and a plaque in honor of his service. Ms. Hartwell reported that Touchstone will coordinate ordering the plaque.

RATIFY APPOINTMENT OF DIRECTOR TO VOTE IN ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") BYLAWS ELECTION

The Board discussed the AWBD bylaws election. After discussion, Director Duffy moved to ratify appointment of Director Millis as the District's voting representative for the

AWBD bylaws election. The motion was seconded by Director Wood and passed unanimously.

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

(SEAL)

Secretary, Board of Directors

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