

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

November 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 2600, Houston, Texas, outside the boundaries of the District, on the 7th day of November, 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 Directors Riley and Dalcour, thus constituting a quorum.

Also attending the meeting in person or by teleconference were Lynn Franklin, Dr. John Knight and Eric Christie, residents of the District; Mike Garrison of Xecutive Select Transport Professionals LLC; David Beyer of Storm Water Solutions ("Storm Water"); Stewart Black of Acclaim Energy ("Acclaim"); Angie Hartwell and Danae Dehoyos of Touchstone District Services ("Touchstone"); Ryan Fortner of Revenue Management Services ("RMS"); 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"); Chase Eastland of Masterson Advisors LLC ("Masterson"); and Nellie Connally and Carli Trojcak of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Connally 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

There were no comments from the public.

CONSENT AGENDA

The minutes of the October 3, 2023, regular meeting and consultant reports were provided in advance of the meeting. Ms. Connally reviewed a Resolution Regarding Annual Review of Investment Policy and stated there were no recommended amendments to the District's Policy. Ms. Connally next reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. After discussion, Director Duffy moved to remove item 2.g from the consent agenda and approve the following remaining consent

items: (1) the minutes of the October 3, 2023, regular meeting, as submitted; (2) District development matters; (3) financial and bookkeeping matters, including the Resolution Regarding Annual Review of Investment Policy and the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions; (4) tax assessment and collection matters; (5) the City of Richmond operations report; and (6) direct that, where appropriate, items are filed appropriately and retained in the District's official records. Director Matthews seconded the motion, which passed unanimously. Copies of all reports approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

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 5 goals and training under the SWMP, copies of which are 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 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 District's SWMP was submitted to the Texas Commission Environmental Quality (the "TCEQ") on July 23, 2019, in accordance with the requirements set forth in the Texas Pollutant Discharge Elimination System General Permit No. TXR040000. He stated the existing 5-year permit was issued on October 2, 2023. He stated that Storm Water has begun preparing for the District's Year 1 SWMP implementation requirements under TCEQ's new permit, noting that the permit is scheduled to be issued on January 24, 2024.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills requested the Board and consultants submit their comments on the 2024 budget to MAC prior to the December meeting.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Mata reviewed the delinquent tax report provided by Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon"), a copy of which is attached. The Board discussed the delinquent tax accounts for 1125/1135 Crabb River Road and 1002 Grand Estates Court.

After discussion, Director Matthews moved to authorize Perdue Brandon to file suit on both accounts. Director Millis seconded the motion, which passed unanimously.

ADOPT RESOLUTION VOTING FOR DIRECTOR FOR BOARD OF DIRECTORS
ELECTION FOR FORT BEND CENTRAL APPRAISAL DISTRICT

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

REVENUE MANAGEMENT SERVICES

Mr. Fortner presented and reviewed a Q4 (Fourth Quarter) Strategic Partnership Agreement Audit (the "Q4 SPA Audit"), a copy of which is attached.

Mr. Fortner stated after review he concluded businesses are being omitted from the monthly sales tax tracking report received from the City of Richmond (the "City"). He stated he has been following up with the City and has not received any responses. Director Millis requested Mr. Fortner contact Ms. Harrington to discuss this matter further and set up a call with the City.

Following review and discussion, Director Matthews moved to accept the Q4 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 91.72%.

Mr. Marriott provided an update regarding the manhole valve repairs, stating that they are in progress. Discussion ensued regarding water accountability. Director Millis requested Mr. Marriott to compare the reported accountability amounts between the December 31, 2022 audit and operations report and discuss with Ms. Mihills for 2024 budgeting purposes.

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 stated he received three customer utility billing disputes.

Following 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; (3) direct that the delinquent customer list be filed appropriately and retained in the District's official records; and (4) authorize Si to bill the three customers at the lowest tiered rate of \$2.00 per 1,000 gallons used and offer a payment plan. Director Matthews seconded the motion, which passed unanimously.

AGREEMENT WITH ACCLAIM ENERGY FOR ENERGY CONSULTING SERVICES

Mr. Black discussed changes in the electricity market and noted the standard electricity broker fee, which previously had been built into the electricity rate, no longer covers Acclaim's costs. He requested approval of an Energy Management Agreement with Acclaim, which includes flat rate costs billed to the District for meter additions and certain other services.

After review and discussion, Director Matthews moved to approve Energy Management Agreement with Acclaim, subject to legal review, and direct that it be filed appropriately and retained in the District's official records. 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 City's charges relating to bleach, Amazon and a payment made to USA Blue Book in 2022.

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 was completed with the City and the contractor addressed the final punch list items.

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.

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, issued a letter of no objection, and is awaiting further requests.

Mr. Tufail stated that construction is nearing completion at the Territory at Williams Way and that the building exteriors are being constructed.

Mr. Tufail discussed the potential annexation of a 17.5 acre tract for multi-family development. He reported that Blackline has contacted the City's engineer regarding potential construction of an additional water plant and is awaiting a response.

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

COORDINATION WITH HOMEOWNERS ASSOCIATIONS ("HOA")

Ms. Eastland reviewed a 2023 Owners Association Pro Rata Share Analysis Summary Table ("Pro Rate Share Analysis") prepared by the District's financial advisor, a copy of which is attached.

The Board reviewed contribution request letters from Canyon Gate at the Brazos Owners Association and Lakes of Williams Ranch Owners Association, a copies of which are attached. Ms. Connally stated that ABHR has sent follow up correspondence to Brazos Gardens Homeowners Association requesting they submit their request by December 5, 2023.

After review and discussion, Director Duffy moved to: (1) authorize Masterson to prepare the Pro Rata Share Analysis based on taxable assessed value going forward; and (2) increase the HOA annual contribution amount from \$100,000.00 to \$125,000.00. 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. Discussion ensued regarding articles relating to holiday home safety tips and "NO - Fat, Oil or Grease." Ms. Hartwell stated that the Association of Water Board Directors has released two public service announcement videos relating to "How to Calculate Your Taxes" and "Storm Drains."

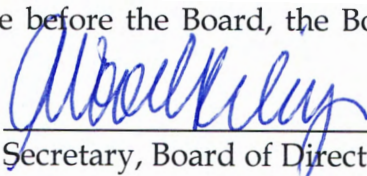
After review and discussion, Director Millis moved to authorize Touchstone to post the two articles and two videos as detailed above. Director Duffy seconded the motion, which passed unanimously.

CONSIDERATION OF POTENTIAL CANDIDATES FOR FUTURE APPOINTMENT TO BOARD OF DIRECTORS

Ms. Connally introduced Mr. Christie and Dr. Kight as potential candidates for the Board. The Board reviewed statements of interest from Mr. Christie and Dr. Knight, copies of which are attached. Discussion ensued regarding meeting attendance, responsibilities, and expectations.

The Board concurred to hold the next meeting on December 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)



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