

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

December 6, 2022

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 6th day of December, 2022, 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; Rose Herbst of Infrastructure Construction Services LLC; Aimee Ordeneaux-Raley of Texas Pride Disposal ("Texas Pride"); Kathryn Foss of Municipal Financial Services; Ryan Fortner of Revenue Management Services; Dan McDonald of McDonald & Wessendorff Insurance ("M&W Insurance"); Angie Hartwell of Touchstone District Services; Isabel Mata of Wheeler & Associates, Inc.; Mary Ann Mihills of Municipal Accounts & Consulting LP; Matt Brown of Si Environmental LLC; Asim Tufail of Blackline Engineering, LLC ("Blackline"); and Adisa Harrington, Kathryn Blanton, and Tenille Dennis 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

There were no public comments.

CONSENT AGENDA

The minutes of the November 1, 2022, regular meeting and consultant reports were provided in advance of the meeting. Ms. Harrington reviewed Travel Reimbursement Guidelines and Director Expenses for the Association of Water Board Directors winter conference. After discussion, Director Matthews moved to approve the following consent items: (1) the minutes of the November 1, 2022, regular meeting, as submitted; (2) authorize McCall Gibson Swedlund Barfoot PLLC to conduct the District's audit for fiscal year end December 31, 2022; (3) District development matters; (4) financial and bookkeeping matters, including approve the bookkeepers report, quarterly investment report and authorize up to three per diems, two nights of hotel stay, and reimbursement of reasonable meal expenses

for director attending the Association of Water Board Directors winter conference; (5) tax assessment and collection matters; (6) the City of Richmond operations report; and (7) 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

There were no items removed from the consent agenda.

HOMEOWNERS' ASSOCIATION ("HOA") CONTRIBUTIONS

The Board reviewed contribution request letters from the Canyon Gate at the Brazos Owner's Association ("CGBOA"), Lakes of Williams Ranch Owner's Association ("LOWROA"), and Brazos Gardens Homeowner's Association ("BGHOA"), copies of which are attached. Ms. Harrington stated that no response was received from the Brazos Village Homeowners Association. Ms. Harrington then reviewed the 2022 Owners Association Pro Rata Share Analysis Summary Table prepared by the District's financial advisor, a copy of which is attached.

After review and discussion, Director Duffy moved to approve HOA contributions based on the taxable value percentages presented in the 2022 Owners Association Pro Rata Share Analysis Summary Table prepared by the District's financial advisor. Director Matthews seconded the motion, which passed unanimously.

INSURANCE POLICIES

Mr. McDonald reviewed the renewal insurance proposal from M&W Insurance. He stated that the proposed premium will decrease by \$1,035.00 due to the District's detention ponds not containing equipment maintained by the District.

After review and discussion, Director Millis moved to renew the District's insurance with M&W Insurance, subject to finalization of the renewal premium. Director Duffy seconded the motion, which passed unanimously.

GARBAGE COLLECTION AND RECYCLING SERVICES

Ms. Ordeneaux-Raley reviewed a letter from Texas Pride requesting an 11.6% rate increase for garbage and recycling collection, a copy of which is attached. She requested approval to increase the current rate per home from \$15.10 to \$16.85. Discussion ensued regarding a three year extension of the current Residential Solid Waste Collection Agreement, to include an automatic annual CPI increase beginning in June 2024 and every year thereafter.

Following review and discussion, Director Matthews moved to: (1) approve the rate increase for Texas Pride from \$15.10 to \$16.85; and (2) approve Amendment No. 2 to Residential Solid Waste Collection Agreement, subject to finalization. Director Duffy seconded the motion, which passed unanimously.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills reviewed a draft budget for the fiscal year ending December 31, 2023, a copy of which is attached to the bookkeepers report. Discussion ensued regarding revisions to the draft budget, including an increase for insurance to \$17,100.00 and an increase for landscape architect to \$25,000.00. After discussion, Director Duffy moved to approve the draft budget for the fiscal year ending December 31, 2023, as revised. Director Millis seconded the motion, which passed unanimously.

10-YEAR BUDGET FORECAST

Ms. Foss presented and reviewed a 10-year budget analysis update, a copy of which is attached. Discussion ensued.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Mata discussed the status of tax collections for the 2022 tax year. She presented check no. 5081 in the amount of \$11,796.58 payable to Fort Bend Central Appraisal District for the Board's approval. After review, Director Millis moved to approve check no. 5081 in the amount of \$11,796.58 payable to Fort Bend Central Appraisal District. Director Matthews seconded the motion, which passed unanimously.

REVENUE MANAGEMENT SERVICES

Mr. Fortner presented and reviewed the Q4 ("Fourth Quarter") Strategic Partnership Agreement Audit, a copy of which is attached. After review and discussion, Director Matthews moved to accept the Fourth Quarter Strategic Partnership Agreement Audit. Director Riley seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Brown 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 96.35%.

Mr. Brown reviewed significant repairs and maintenance for excavating and replacing four tap lines, removing concrete sidewalk sections to reset three valves to grade, and performing annual commercial/irrigation meter tests, as detailed in the operator's report.

Mr. Brown reviewed dye testing results for certain storm sewers. He stated that six tests were complete, and three resulted in Districts issues, for which work orders were opened.

Mr. Brown then reviewed significant repairs and maintenance for builder services, as detailed in the operator's report.

Mr. Brown 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 Duffy moved to (1) approve the operator's report; and (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. Director Millis 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 construction of the Water and Sanitary Sewer Extensions near Williams Way and the City of Richmond Wastewater Treatment Plant. He stated that construction has been completed and the one-year acceptance date is August 9, 2023.

Mr. Tufail provided an update regarding the construction of the District-Wide Lift Station Modifications. He then reviewed and recommended approval of Pay Estimate No. 6 in the amount of \$78,356.70 payable to McDonald Municipal and Industrial ("McDonald") for construction of the District-Wide Lift Station Modifications.

Mr. Tufail then discussed the plans and specifications for the water plant no. 1 fence repair. He stated that the prepared bid package includes three options of wooden fencing, precast concrete fencing, and single-wide concrete masonry units. Mr. Tufail stated the updated estimated cost of the project is \$500,000.00.

Mr. Tufail provided an update regarding the City of Richmond Wastewater Treatment Plant.

Mr. Tufail provided an update regarding the trail system survey work, stating that the surveyor has not yet completed the metes and bounds.

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

Mr. Tufail updated the Board on the Fort Bend County Road and Bridge Out-of-District Service Request. He then reported that Century Communities has expressed interest in annexing a tract into the District but is awaiting confirmation whether the City of Richmond will extend City services to the tract instead.

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

After review and discussion, Director Riley moved to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 6 in the amount of \$78,356.70 payable to McDonald for the District-Wide Lift Station Modifications. Director Matthews seconded the motion, which passed unanimously.

PHASE II SMALL MS4 GENERAL PERMIT AND STORM WATER MANAGEMENT PLAN ("SWMP")

There was no discussion regarding this matter.

DISTRICT WEBSITE AND COMMUNICATION MATTERS

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

Ms. Hartwell stated that notification for the December 6, 2022, Board meeting was posted on the District's website.

Ms. Hartwell reported that an out-of-District property owner inquired regarding annexation into the District and the inquiry was transmitted to Blackline for further handling. She then stated that a resident inquired regarding heavy trash collection days and the inquiry was transmitted to Texas Pride for further handling.

The Board then discussed whether to post a notice on the District's website regarding street parking and/or low hanging tree limbs that may interfere with garbage collection service. Ms. Franklin stated that the CGBOA is enforcing rules for parking and tree trimming. The Board concurred not to post a notice on the District's website at this time.

Ms. Hartwell then stated that "Vacation Watch" and "Winterizing Pipes" articles will be posted to the District's website.

ADDITIONAL HOA MATTERS

Ms. Harrington reviewed contribution amounts based on taxable value percentages presented in the 2022 Owners Association Pro Rata Share Analysis Summary Table prepared by the District's financial advisor. Discussion ensued and the Board concurred to clarify the contribution amounts to each homeowners' association. After review and discussion, Director Duffy moved to approve: (1) a Letter Agreement with CGBOA to contribute \$65,400.00 in budgeted District operating funds to CGBOA; (2) a Letter Agreement with LOWROA to contribute \$28,600.00 in budgeted District operating funds to LOWROA; and (3) a Letter Agreement with BGHOA to contribute \$6,000.00 in budgeted District operating funds to BGHOA, with checks for such contributions to be issued at the January 2023 Board meeting subject to receipt of executed Letter Agreements from all associations. Director Millis seconded the motion, which passed unanimously.

Ms. Harrington then discussed the proposed Maintenance Agreements with LOWROA and CGBOA. She reported that LOWROA has provided documentation reflecting

42 mows per year at a total cost of \$19,734.36. Discussion ensued regarding the number of mows needed for detention facility maintenance and the Board concurred to reimburse LOWROA for 18 mows per year at a total cost of \$8,500.00 and for LOWROA to be responsible for any additional mowing expenses. The Board concurred to finalize a Maintenance Agreement with CGBOA once CGBOA provides additional information regarding the cost to mow certain District facilities.

After review and discussion, Director Millis moved to: (1) approve the Maintenance Agreement with LOWROA; and (2) authorize payment to LOWROA in the amount of \$8,500 for 18 mows a year at District standards for the 2022 calendar year, with a check to be issued at the January 2023 Board meeting subject to receipt of an executed Maintenance Agreement from LOWROA. Director Riley seconded the motion, which passed unanimously.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

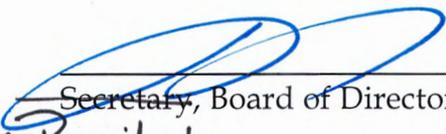
Ms. Harrington reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Section 2206.154, Texas Government Code.

The Board concurred to hold the next meeting on January 3, 2023.

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

(SEAL)




Secretary, Board of Directors
Vice President

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Tax assessor/collector's report and delinquent tax roll.....	2
City of Richmond operations report.....	2
Contribution request letters from HOAs.....	2
2022 Owners Association Pro Rata Share Analysis Summary Table	2
Texas Pride Disposal increase request	2
10-year budget analysis	3
Strategic Partnership Agreement Audit	3
Operator's report.....	3
Engineer's report	4
Website and communications report	5