

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

October 8, 2024

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 165 (the "District") met in regular session, open to the public, on the 8<sup>th</sup> day of October, 2024, at the offices of Municipal District Services, LLC, 406 W. Grand Parkway S., Suite 260, Katy, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Christine Oliver	President
Ed Escobar	Vice President
Gregory Henry	Secretary
Ryan Andrasek	Assistant Vice President
Rick Bolanos	Assistant Secretary

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

Also attending the meeting were Constable Abraham Garcia of Fort Bend County Precinct 4 ("Precinct 4"); Suzanne Villarreal of McCall Gibson Swedlund Barfoot, PLLC ("McCall"); Jennifer Abad of Municipal Accounts & Consulting, L.P. ("MAC"); Shammarie Leon of Bob Leared Interests, Inc.; Austin Ficken of Masterson Advisors, LLC ("Masterson"); Joseph Hopper of Storm Water Solutions, LLC; Austin Muse of Municipal District Services ("MDS"); Michael Willett of Touchstone District Services, LLC; Lyndsay Evans of Quiddity Engineering, LLC ("Quiddity"); Dan Dunham of Mike Stone Associates, Inc. ("MSA"); and Whitney Higgins and Caroline Jones of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Oliver offered any members of the public attending the meeting the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Oliver moved to the next agenda item.

OPERATION OF DISTRICT FACILITIES

Mr. Muse presented and reviewed the operator's report and the storm water management report, a copy of which is attached, and updated the Board on repairs and maintenance in the District for the month of October.

Mr. Muse requested the Board's authorization to write off four accounts in the total amount of \$859.58.

## HEARING ON TERMINATION OF WATER SERVICE

Mr. Muse presented to the Board 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 to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

After review and discussion, Director Andrasek moved to (1) approve the operator's report; (2) authorize Mr. Muse to write off four accounts in the total amount of \$859.58; and (3) 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 Henry seconded the motion, which passed unanimously.

Mr. Muse left the meeting.

## MINUTES

The Board considered approving the minutes of the September 12, 2024, regular meeting. Following review and discussion, Director Henry made a motion to approve the minutes of the September 12, 2024, regular meeting, as written. Director Bolanos seconded the motion, which passed unanimously.

## SECURITY MATTERS AND INTERLOCAL AGREEMENT ("INTERLOCAL AGREEMENT") WITH FORT BEND COUNTY (THE "COUNTY") FOR ADDITIONAL LAW ENFORCEMENT SERVICES

Constable Garcia presented and reviewed the security report from Precinct 4, a copy of which is attached.

The Board reviewed and considered the Interlocal Agreement for Additional Law Enforcement Services Between Fort Bend County (the "County") and the District (the "Interlocal Agreement"), estimated at \$386,150.00 annually, which would be \$32,180.00 monthly, for the term October 1, 2024 through September 30, 2025.

Following review and discussion, Director Bolanos moved to (1) approve the security report; and (2) approve the Interlocal Agreement between the District and the County for security services with three deputies for October 1, 2024 through September 30, 2025. Director Andrasek seconded the motion, which passed unanimously.

## APPROVE AUDIT FOR FISCAL YEAR END JUNE 30, 2023

Ms. Villareal presented and reviewed the audit for the fiscal year ended June 30, 2024. Following review and discussion, Director Andrasek made a motion to approve

the audit, subject to final review by the District's consultants, and to authorize filing of the same. Director Bolanos seconded the motion, which passed unanimously.

#### GARBAGE AND RECYCLING COLLECTION

There was no discussion regarding this agenda matter.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Abad distributed and reviewed the bookkeeper's report, budget comparisons, bills presented for payment, and the investment report from the reporting period for approval. A copy of the bookkeeper's report and the investment report are attached to the minutes.

Ms. Abad presented and reviewed a Certificate of Deposit Analysis and Certificate of Deposit Investment Rates as of October 7, 2024, copies of which are attached to the bookkeeper's report. Discussion ensued.

Ms. Abad discussed a Client Services Agreement with HR&P, Inc. for direct deposit payroll administration services.

Ms. Abad presented and reviewed an Amended Budget, a copy of which is in the bookkeeper's report, reflecting the adopted 2024 maintenance and operating tax rate and updated revenues and expenses.

Following review and discussion, Director Henry made a motion to (1) approve the bookkeeper's report and investment report; (2) pay the District's bills as submitted; (3) authorize MAC to purchase three certificates of deposit in the amount of \$235,000.00 each; and (4) amend the budget. Director Bolanos seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Leon distributed and reviewed the tax report, including a list of delinquent accounts, a copy of which is attached. She stated 99.66% of the District's 2023 taxes were collected as of the meeting date. Following review and discussion, Director Bolanos made a motion to (1) approve the tax assessor/collector's report; and (2) pay the bills presented for payment from the tax account. Director Henry seconded the motion, which passed unanimously.

#### DRAINAGE FACILITIES REPORT

Mr. Hopper presented and reviewed a drainage facilities report, a copy of which is attached. Mr. Hopper updated the Board regarding projects under construction at the drainage channel.

Mr. Hopper updated the Board regarding the status of a demand letter that was mailed to a property owner.

Following review and discussion, Director Bolanos made a motion to approve the drainage facilities report. Director Andrasek seconded the motion, which passed unanimously.

#### WEBSITE MATTERS

Mr. Willett presented and reviewed the Communications Report, a copy of which is attached. Following discussion, Director Andrasek moved to approve the Communications Report. Director Henry seconded the motion, which passed unanimously.

#### NORTH FORT BEND REGIONAL WATER AUTHORITY (“NFBWA”) MATTERS

The Board conducted its annual review of the Drought Contingency Plan.

#### ENGINEERING MATTERS

Ms. Evans distributed and reviewed the District’s engineering report and discussed engineering matters in the District as more fully described in the report, a copy of which is attached.

Ms. Evans stated that Quiddity reviewed the plans for a roundabout at Mason Road and Victoria Bay Boulevard and was coordinating with that project’s engineer to verify that no District facilities would be affected by the construction of the roundabout.

Ms. Evans reviewed Quiddity’s 2024 Schedule of Hourly Rates and Schedule of Reimbursable Expenses with the Board to become effective November 1, 2024.

#### DEEDS, EASEMENTS, AND PLATS

There was no discussion regarding this agenda matter.

#### MS4 STORM WATER MANAGEMENT PLAN

Ms. Evans stated that Quiddity performed MS4 services during September in accordance with Permit Year 5 of the Storm Water Management Plan (“SWMP”). She added that Quiddity was preparing the District’s SWMP for submittal to the Texas Commission on Environmental Quality before the February, 2025 deadline.

Following review and discussion, Director Andrasek moved to (1) approve the engineer’s report; and (2) approve the Schedule of Hourly Rates and Schedule of

Reimbursable Expenses. Director Henry seconded the motion, which passed unanimously.

### SERIES 2024 UNLIMITED TAX BONDS

Mr. Ficken reported to the Board regarding the bids received for the sale of the District's \$2,540,000 Unlimited Tax Bonds, Series 2024 (the "Bonds"). The Board then reviewed the bids received for the sale of the Bonds. Mr. Ficken stated the low bid, submitted by The Baker Group, LP ("Baker Group") with a net effective interest rate of 3.792354%, had been reviewed, that all numbers had been confirmed, and that everything was found to be correct and consistent with the conditions in the Notice of Sale.

The Board next considered adopting the Resolution Authorizing the Issuance of the District's Bonds (the "Resolution"). Ms. Higgins reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the Bonds, the payment of principal and interest over the life of the Bonds, certain District covenants regarding the tax-exempt status of the Bonds, and the District's continuing disclosure obligation.

The Board next considered approving the Official Statement ("OS"). Mr. Ficken explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates and debt service requirements.

Ms. Higgins presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice stating that the Board has relied on its financial advisor, Masterson, for financial advice concerning the issuance of the Bonds.

Ms. Higgins presented and reviewed with the Board a Management Representation Letter regarding McCall's inclusion of the District's audit report in the OS pursuant to the Statement on Auditing Standards No. 133/Auditor Involvement with Exempt Offering Documents.

Ms. Higgins next explained that there will be various documents related to delivery of the Bonds requiring execution by the Directors prior to closing. She requested the Board authorize the President and Secretary to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds to the purchaser.

Ms. Higgins noted the payment to the Attorney General in connection with filing the transcript for the Bonds is reflected in the bookkeeper's report.

Ms. Higgins stated the District's Information Form will be amended to reflect the sale of the Bonds and filed with the Texas Commission on Environmental Quality (the "TCEQ") and in the County's real property records.

Following review and discussion, Director Andrasek made the following motion: (1) to accept the bid from Baker Group as submitted, and to award the sale of the Bonds to Baker Group, with a net effective interest rate of 3.792354%; (2) to approve the Official Statement; (3) to adopt the Resolution; (4) to authorize execution of the Certificate Regarding Provision of Financial Advice and direct that it be filed appropriately and retained in the District's official records; (5) to authorize execution of the Management Representation Letter; (6) to authorize execution of documents related to the sale and delivery of the Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds; and (7) to approve the Amendment to the Information Form and direct that it be filed with the TCEQ and the real property records of the County and retained in the District's official records. Director Bolanos seconded the motion, which carried unanimously.

#### PARK AND RECREATIONAL MATTERS

The Board received a report regarding recreational development projects in the District, a copy of which is attached. The Board requested that Ms. Lee attend the November Board meeting to discuss the options for shade at the Soledad Park playground.

#### PARK AND LANDSCAPE MATTERS, INCLUDING PROPOSALS FOR ADDITIONAL WORK AND COST SHARING AGREEMENTS REGARDING LANDSCAPE MAINTENANCE

Mr. Dunham presented and reviewed the MSA report, a copy of which is attached. He reviewed general maintenance, common area landscaping, splash pad maintenance, and routine inspections and maintenance, and as more fully described in the report.

Mr. Dunham stated that MSA submitted the splash pad permit in the District's name to the County.

Mr. Dunham requested the Board's authorization to repair capstone seat walls at certain pocket parks in the amount of \$3,077.00.

Mr. Dunham requested the Board's authorization to make repairs to a trash receptacle in the amount of \$260.00.

After review and discussion, Director Andrasek moved to (1) authorize the parks committee to work with MSA to finalize the splash pad permit application with the County; (2) approve the capstone seat repairs in the amount of \$3,077.00; and (3) approve the repair of the trash receptacle amount of \$260.00. Director Henry seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

There was no discussion regarding this agenda matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS REGARDING  
CORRESPONDENCE AND/OR REPORTS RECEIVED AND EVENTS AND/OR  
ACTIVITIES ATTENDED DURING THE MONTH

Director Oliver discussed a meeting she had with Commissioner Dexter McCoy.

MEETING SCHEDULE

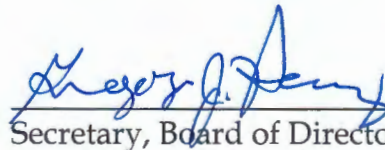
The Board concurred to hold the next regular meeting on Thursday, November 14, 2024, at 9:00 a.m. at the offices of MDS.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS  
GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR  
VALUE OF REAL PROPERTY

The Board did not convene in Executive Session.

There being no further business to come before the Board, the meeting was adjourned.



  
Secretary, Board of Directors

LIST OF ATTACHMENTS

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Bookkeeper’s Report..... 3  
Tax Report ..... 3  
Drainage Facilities Report..... 3  
Communications Report ..... 4  
Engineering Report..... 4  
Landscaping Report..... 6  
MSA Report ..... 6