

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

August 6, 2024

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 6th day of August, 2024, and the roll was called of the members of the Board:

Chad Millis	President
Dallas Duffy	Vice President
Angela W. Riley	Secretary
Dr. John Knight	Assistant Secretary
Jesse Matthews	Assistant Vice President

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

Also attending the meeting in person or via teleconference were Lynn Franklin, a resident of the District; Kevin Polasek of Bowman; Reagan Booth of Trammell Crow Residential; Chase Eastland of Masterson Advisors LLC; Ryan Fortner of Revenue Management Services; Angie Hartwell and Daenon Russell of Touchstone District Services ("Touchstone"); Isabel Mata and Johnnie Thompson of Wheeler & Associates, Inc.; Mary Ann Mihills of Municipal Accounts & Consulting LP; Rick Marriott of Si Environmental LLC ("Si"); Asim Tufail, Juliana Bihlet and Charlie Harbin of Blackline Engineering, LLC ("Blackline"); and Adisa Harrington and Kathryn Blanton 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

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

CONSENT AGENDA

The minutes of the July 2, 2024, regular meeting and consultant reports were provided in advance of the meeting. Following discussion, Director Duffy moved to approve the following consent items: (1) the minutes of the July 2, 2024, regular meeting, as submitted; (2) financial and bookkeeping matters; (3) tax assessment and collection matters; (4) the City of Richmond (the "City") operations report; and (5) 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

There were no items removed from the consent agenda.

## ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills noted that registration for the Association of Water Board Directors winter conference is open.

The Board reviewed a 10-year budget analysis update, provided in advance by Municipal Financial Services, a copy of which is attached. Discussion ensued.

## ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Mata updated the Board on the current tax collections.

## DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Director Riley joined the meeting.

Ms. Eastland distributed and reviewed a debt service tax rate analysis, a copy of which is attached. Discussion ensued and the Board determined to publish notice of the 2024 tax rate at \$0.74, with \$0.28 allocated to debt service and \$0.46 allocated to operations and maintenance. Ms. Eastland discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Matthews moved to: (1) set the public hearing date for September 3, 2024; and (2) authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the District's meeting on September 3, 2024, to set the proposed 2024 total tax rate of \$0.74 per \$100 of assessed valuation, with \$0.28 allocated for debt service on water, sewer, and drainage bonds and \$0.46 allocated for operations and maintenance. Director Duffy seconded the motion, which passed unanimously.

## ADOPT RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF DIRECTORS FOR FORT BEND CENTRAL APPRAISAL DISTRICT

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

## REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2019 REFUNDING BONDS

Ms. Harrington reviewed the Arbitrage Rebate Report for the District's Series 2019 Refunding Bonds, as prepared by OmniCap Group LLC. Ms. Harrington stated that the report reflects that no arbitrage rebate or yield reduction payment is due to the Internal Revenue Service.

## REVIEW FIRE PROTECTION FEE INCREASE AND AMEND RATE ORDER

The Board reviewed a notice of fire protection fee increase from the City of Richmond, a copy of which is attached. The Board considered amending the District's Rate Order to pass through the cost increase to customers. After discussion, Director Millis moved to amend the District's Rate Order to reflect the increased City fire protection fee from \$16.89 to \$17.39 per household and each 2,000 square feet of building floor area for improved nonresidential properties, effective October 1, 2024. Director Knight 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 94.65%. He discussed the impacts of Hurricane Beryl on District operations, noting there was no damage to District facilities.

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 discussed a resident appeal regarding high water usage bills for June and July 2024. He reported that a Si technician verified the accuracy of the meter, and that a leak was not detected on the District or resident side. Mr. Marriott stated that the resident is requesting to be charged at their average rate for June and July 2024. Discussion ensued.

Following review and discussion, Director Matthews moved to: (1) approve the operator's report; (2) authorize termination of delinquent accounts, in accordance with the District's Rate Order; (3) reduce the resident's high usage bills for June and July 2024 to the lowest tier rate and offer a payment plan, if necessary; and (4) direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Duffy seconded the motion, which passed unanimously.

## ENGINEER'S REPORT/ ANNEXATION MATTERS

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

Director Millis left the meeting.

Ms. Harrington discussed the conflict of interest forms and affidavits submitted by Director Millis with regard to the District facilities fencing replacement project. Ms. Bihlet then reviewed the bids received for the project. She recommended awarding the contract to the lowest bidder for custom mold fencing, Republic Masonry & Fencing ("Republic"), for the contract amount of \$382,180.90. Discussion ensued regarding potential fencing materials, and the Board concurred to only consider custom mold concrete fencing for the District's facilities due to its durability and low maintenance as compared to other fencing materials. Following review and discussion, Director Knight moved to rebid the contract for custom mold concrete fencing for District facilities. Director Matthews seconded the motion. The motion passed with all Directors voting in favor of the motion, except for Director Millis, who was not present for the vote.

Director Millis rejoined the meeting.

Ms. Bihlet provided an update regarding the City's recent re-rating of the Wastewater Treatment Plant permit. She reported that the previous plant rating was 0.95 million gallons per day ("MGD"), and the new plant rating is 1.22 MGD.

Ms. Harrington updated the Board regarding pending updates to the Regional Wastewater Treatment Plant Agreement, noting that the connection counts and pro-rata shares need to be revised in addition to other updates. Ms. Harrington noted that she is in communication with Fort Bend County's attorney regarding the agreement.

Ms. Bihlet provided an update regarding the pending land conveyances for the trail system. She reviewed a proposed modification exhibit, a copy of which is attached to the engineer's report.

Ms. Bihlet provided an update regarding the re-evaluation of the District water supply system. She reviewed a preliminary construction cost estimate for Water Plant No. 2, a copy of which is attached to the engineer's report. Discussion ensued regarding a timeline for potential completion.

Ms. Bihlet stated that construction is nearing completion at the Territory at Williams Way.

Ms. Bihlet provided an update regarding the 9er's Restaurant located at 6430 Sansbury Road, stating that Blackline is awaiting final approved plans.

Ms. Bihlet discussed the potential annexation of a 17.5-acre tract along Crabb River Road for multi-family development, stating that the feasibility study is nearing completion. Mr. Booth introduced himself to the Board as a developer of the tract. He stated that the tract is 18-acres in total. The Board discussed a 2.5-acre tract near the multi-family development as the potential site for a second water plant and lift station to serve tracts that are annexed into the District. Ms. Bihlet requested Board authorization to survey and

prepare metes and bounds for the 2.5-acres for the potential water plant/lift station site. She then requested authorization to conduct an appraisal for the site, subject to completion of the survey.

Ms. Bihlet then discussed the potential annexation of an 8.7-acre tract along Farm-to-Market Road 762 and Williams Way for multi-family development. It was noted that the District is unable to provide water service to any potential annexed tracts unless or until a second water plant is constructed.

Ms. Bihlet reported on the GIS System, stating that the latest work orders have been submitted.

Ms. Harrington provided an update regarding the pending land conveyances for the trail system.

Following review and discussion, Director Knight moved to: (1) approve the engineer's report; (2) authorize Blackline to conduct a survey and prepare metes and bounds for the 2.5-acres tract of the potential site for Water Plant No. 2, regional lift station, and access road; and (3) authorize an appraisal of the 2.5-acres, subject to completion of the survey. Director Matthews seconded the motion, which passed unanimously.

DISTRICT WEBSITE AND COMMUNICATION MATTERS

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

CITY PRESENTATION REGARDING AUTOMATIC METER READING

No City representatives were present at the meeting to make a presentation.

CONVENE IN EXECUTIVE SESSION

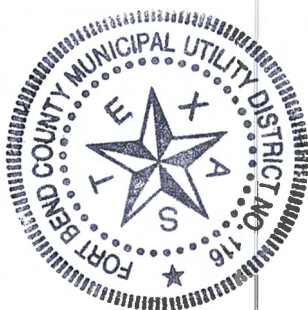
The Board did not convene in executive session.

The Board concurred to hold the next meeting on September 3, 2024, 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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