

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 116

July 2, 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 2nd day of July, 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; Edward Contreras of First Public; Kevin Polasek of Bowman; David Adame of Alliance Residential ("Alliance"); Ryan Fortner of Revenue Management Services; Angie Hartwell of Touchstone District Services ("Touchstone"); Isabel Mata of Wheeler & Associates, Inc.; Mary Ann Mihills of Municipal Accounts & Consulting LP; Rick Marriott of Si Environmental LLC ("Si"); Asim Tufail 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.

Mr. Contreras introduced himself to the Board as a representative of First Public.

Mr. Adame introduced himself to the Board as a representative of Alliance.

Mr. Polasek introduced himself to the Board as an engineer with Bowman.

Ms. Franklin reported that a resident inquired about a required deposit for a homeowner displaced by Winter Storm Uri. Mr. Marriott requested the homeowner information for further investigation.

There being no further comments from the public, Ms. Harrington closed public comments.

CONSENT AGENDA

The minutes of the June 4, 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 June 4, 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 Millis 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 requested Board authorization for additional check no. 8768 in the amount of \$15,974.69, payable to the City for the District's share of the City Regional Wastewater Treatment Plant expenses for June 2024.

Ms. Mihills reviewed the District's current investment rates, as detailed in the report.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference and considered approving reimbursement of eligible expenses and authorizing attendance at the AWBD winter conference.

Following discussion, Director Millis moved to: (1) approve the additional check, as detailed above; (2) approve reimbursement of all eligible expenses for Directors who attended the summer conference, which the District's bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines; and (3) authorize attendance of any interested Directors at the winter conference. Director Duffy seconded the motion, which passed unanimously.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

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

Ms. Mata reported that the 2024 preliminary assessed value for the District is \$845,105,034.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

The Board considered the District's 2024 tax rate. Ms. Harrington discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2024 tax year.

Following discussion, Director Matthews moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developed District for the 2024 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Knight seconded the motion, which passed unanimously.

REVENUE MANAGEMENT SERVICES

Mr. Fortner presented and reviewed a Q3 (Third Quarter) Strategic Partnership Agreement Audit (the "Q3 SPA Audit"), a copy of which is attached. Following review and discussion, Director Knight moved to accept the Q3 SPA Audit. Director Matthews 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 94.56%.

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.

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; and (3) direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Knight seconded the motion, which passed unanimously.

ENGINEER'S REPORT / ANNEXATION MATTERS

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

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

Mr. Tufail and 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 and Mr. Tufail are reviewing a draft Second Amended Regional Wastewater Treatment Plant Agreement that was recently provided by the City.

Mr. Tufail and Director Millis provided an update regarding the pending land conveyances for the trail system. Mr. Tufail reviewed acquisition possibility and phase exhibits.

Mr. Tufail provided an update regarding the re-evaluation of the District water supply system. He 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. Mr. Adame stated that the 8.7-acre tract along Farm-to-Market Road 762 and Williams Way for multi-family development will take approximately 18 months to complete.

Mr. Tufail stated that construction is nearing completion at the Territory at Williams Way.

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

Mr. Tufail discussed the potential annexation of a 17.5-acre tract along Crabb River Road for multi-family development, stating that the feasibility study is underway.

Mr. Tufail 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.

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

Director Millis left the meeting.

Ms. Harrington discussed the award of the contract for the District Facilities Fence Repairs. The Board considered rescinding the award of the contract to Republic Masonry & Fencing ("Republic") in the amount of \$382,280.90. Following discussion, Director Knight

moved to rescind the award of the contract to Republic in the amount of \$382,280.90. Director Matthews seconded the motion, which passed unanimously.

Ms. Harrington provided an update regarding the pending land conveyances for the trail system and requested Board authorization to draft gift deeds for the remaining Land Tejas tracts.

Following review and discussion, Director Duffy moved to: (1) approve the engineer's report; and (2) authorize ABHR to draft gift deeds for remaining Land Tejas tracts. 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.

CITY PRESENTATION REGARDING AUTOMATIC METER READING

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

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS (CONTINUED)

Ms. Harrington stated the Board has the opportunity to nominate a candidate for the Fort Bend Central Appraisal Board of Directors. Following discussion, the Board concurred to take no action on this item.

The Board concurred to hold the next meeting on August 6, 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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