

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 144

Minutes of Meeting of Board of Directors

February 6, 2024

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 144 (the "District") met in regular session, open to the public, on February 6, 2024, in accordance with the duly posted notice of public meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Ted Teinert, President
Scott Maham, Vice President
Jimmy T. Juhl, Secretary
James McConn, III, Assistant Secretary
Doug Gleditsch, Assistant Secretary

and all of said persons were present, except Director McConn, thus constituting a quorum. Director McConn entered after the meeting was called to order, as noted herein.

Also present were: Ashlie Whittemore of Wheeler & Associates, Inc. ("Wheeler"); Rahi Patel of Municipal Accounts & Consulting, L.P. ("MAC"); Chau Bao of Edminster, Hinshaw, Russ and Associates, Inc. ("EHRA"); and John Eichelberger of Schwartz, Page & Harding, L.L.P. ("SPH").

COMMENTS FROM THE PUBLIC

The Board opened the meeting for public comments. There being no members of the public present, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board considered the draft minutes of the meeting held on December 5, 2023. After review and discussion of the draft minutes presented, Director Juhl moved that the aforesaid minutes be approved, as written. Director Gleditsch seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Whittemore next presented to and reviewed with the Board the Tax Assessor-Collector Monthly Reports for December 2023 and January 2024, copies of which are attached hereto as **Exhibit A**, including the checks listed therein for payment. After discussion, Director Juhl moved that the Tax Assessor-Collector Reports be approved and that the checks and other disbursements identified therein be approved for payment. Director Gleditsch seconded said motion, which carried unanimously.

Director McConn entered the meeting during the above discussion.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Eichelberger next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas

Constitution, and Section 11.13 of the Texas Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2024, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Mr. Eichelberger noted that the District has not previously granted any tax exemptions. After further discussion of the matter, Director Maham moved that the District (i) not grant the general residential homestead exemption, and (ii) not grant an exemption for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and that the Resolution attached hereto as **Exhibit B** relative to same be approved and adopted by the Board and the District. Director Juhl seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

The Board deferred consideration of a Delinquent Tax Report as it was noted that such report was not due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), delinquent tax attorneys for the District. Mr. Eichelberger advised the Board that the next Delinquent Tax Report will be provided in June of this year.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Eichelberger advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Maham, seconded by Director Juhl, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes attached hereto as **Exhibit C** be adopted by the Board, and that Perdue be authorized to collect delinquent personal property taxes beginning April 1, 2024, including the filing of lawsuits, if necessary.

BOOKKEEPER'S REPORT

Mr. Patel presented to and reviewed with the Board the Bookkeeper's Report dated February 6, 2024, including a Quarterly Investment Inventory Report for the period ended November 30, 2023, a copy of which report is attached hereto as **Exhibit D**, as well as the checks presented therein for payment from the District's various accounts. After discussion, Director Juhl moved that: (i) the Bookkeeper's Report be approved, as presented, and the checks and other disbursements presented be approved for payment; and (ii) the Quarterly Investment Report be approved, and that the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Maham seconded said motion, which carried unanimously.

OPERATING BUDGET FOR FISCAL YEAR ENDING FEBRUARY 28, 2025

The Board next considered the adoption of an operating budget for the District's fiscal year ending February 28, 2025. Mr. Patel presented to and reviewed with the Board the proposed budget, a copy of which is attached to the Bookkeeper's Report. It was recommended, and the Board concurred, that revenue line item no. 15802 be changed to \$20,000, expense line item no. 16703 be decreased to \$50,000, and expense line item no. 16706 be increased to \$37,500 for the fiscal year ending February 28, 2025. After discussion of the proposed operating budget, Director Juhl moved that the operating budget for the District's fiscal year ending February 28, 2025, be approved and adopted by the Board, subject to revision as discussed above. Director Maham seconded said motion, which unanimously carried.

ANNUAL REVIEW OF LIST OF QUALIFIED BROKERS

The Board considered the review of its list of qualified brokers authorized to engage in investment transactions with the District. Mr. Eichelberger advised that pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually. He presented and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers, and dealers attached thereto, together with a comparison of the list submitted to the list previously adopted by the Board, copies of which are attached hereto as **Exhibit E**. Mr. Eichelberger further noted that the list identifies potential institutions with which the District may engage in investment transactions, and that such list is compiled with the input of the District's Investment Officers, but that it is ultimately the Board's decision as to where the District's funds are actually invested. After discussion, Director Maham moved that the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and that the President and Secretary be authorized to execute same. Director Juhl seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR TO PREPARE THE DISTRICT'S AUDIT REPORT FOR THE FISCAL YEAR ENDING FEBRUARY 29, 2024

The Board considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending February 28, 2024. In connection therewith, Mr. Eichelberger presented to and reviewed with the Board the proposed engagement letter provided by FORVIS, LLP ("FORVIS") and advised that FORVIS's fees for the audit report would be \$20,400 plus an administrative fee of \$1,000 to cover items such as postage, printing and delivery costs. A copy of the engagement letter is attached hereto as **Exhibit F**. After discussion on the matter, Director Maham moved that (i) FORVIS be engaged to conduct the required audit for the District's fiscal year ending February 29, 2024, (ii) the Texas Ethics Commission ("TEC") Form 1295 from FORVIS in connection with the engagement letter be accepted and SPH be authorized to acknowledge the receipt of same with the TEC, and (iii) the President be authorized to execute the engagement letter on behalf of the Board and the District. Director McConn seconded said motion, which carried unanimously.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Eichelberger reminded the Board that the District is required to submit information to

the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. After discussion on the matter, it was moved by Director Juhl, seconded by Director McConn and unanimously carried, that FORVIS, the District's auditors, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Information Database.

ENGINEERING REPORT

Mr. Bao presented to and reviewed with the Board a Monthly Engineering Report from EHRA, a copy of which is attached hereto as **Exhibit G**. In connection with the proposed Detention and Drainage Facilities Rehabilitation Project Phases I and II (the "D&D Rehab Project"), Mr. Bao advised the Board that the Summer Lakes Homeowners Association (the "HOA") has inquired whether the District is willing to include the construction of additional sidewalks around the detention facilities addressed in the D&D Rehab Project. After discussion, the Board requested that SPH advise the HOA that the Board determined not to include the proposed construction of additional sidewalks in the D&D Rehab Project. Mr. Bao then reported that EHRA is preparing to advertise for bids for construction of the D&D Rehab Project in April or May, as previously authorized by the Board at its meeting held on June 28, 2023. The Board noted that no action was required on its part in connection with the Engineering Report at this time.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Eichelberger advised the Board that, as required pursuant to Section 2258.022 of the Government Code, the District has previously adopted the applicable United States Department of Labor ("DOL") wage rate scales as the general prevailing wage rates for construction projects by or on behalf of the District. Mr. Eichelberger further advised that the DOL's applicable wage rate scales have been amended. After discussion on the matter, Director Teinert moved that the new DOL wage rate scales be adopted as the District's prevailing wage rate scales for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects attached hereto as **Exhibit H** be adopted by the Board. Director Gleditsch seconded said motion, which carried unanimously.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

Mr. Eichelberger advised the Board that the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. He then presented to and reviewed with the Board a worksheet completed by EHRA to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2024 Tax Year, attached hereto as **Exhibit I**, determining that the District shall be considered a Developed District. Following discussion, upon motion made by Director Maham, seconded by Director Juhl and unanimously carried, the attached Resolution was adopted by the Board.

MATTERS PERTAINING TO THE CITY OF ROSENBERG ("ROSENBERG")

The Board next considered matters pertaining to Rosenberg. In connection therewith, Mr. Eichelberger advised he had nothing further to report to the Board regarding matters pertaining to Rosenberg other than the items previously discussed.

RENEWAL OF INSURANCE

As the next order of business, the Board considered renewal of the District's insurance coverages. In that regard, Mr. Eichelberger advised the Board that the District's current insurance coverage through Brown & Brown Insurance Services, Inc. ("Brown & Brown"), as agent for the Texas Municipal League Intergovernmental Risk Pool, will expire on March 31, 2024. He further advised the Board that Brown & Brown has provided an insurance renewal proposal for the Board's consideration, a copy of which is attached hereto as **Exhibit J**. After discussion on the matter, Director Maham moved that (i) the proposal from Brown & Brown be accepted by the Board and that the President be authorized to execute such proposal on behalf of the Board and the District, and (ii) the TEC Form 1295 provided by Brown & Brown be accepted and SPH be authorized to acknowledge receipt of same with the TEC. Director Juhl seconded said motion, which unanimously carried.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Mr. Eichelberger reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Mr. Eichelberger presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit K**, regarding participation in the joint election with Fort Bend County (the "County"). He reported that the County will administer the Election if the District chooses to participate in the County's joint election and advised the Board that SPH strongly recommends that the District do so for the reasons outlined in the memorandum. After discussion, it was moved by Director Juhl, seconded by Director Gleditsch and unanimously carried that SPH be authorized to notify the County of the District's intent to participate in the joint election.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Eichelberger advised that he had nothing further to report to the Board other than the items previously discussed.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Eichelberger presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit L** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Teinert, Maham and McConnell expire in May of this year. In reviewing the Order with the Board, Mr. Eichelberger advised that the Order provides for the conduct of the Election by the County, jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at

a shared expense. He advised that, although the County will conduct the Election, the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Melanie Walsh as such agent (the "Election Agent"). Mr. Eichelberger further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Eichelberger advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the Election, but not more than thirty (30) days before the Election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the Election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the Election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each County election precinct that overlaps the District. Mr. Eichelberger also noted that the County will determine the compensation paid to the County election officials. After discussion on the matter, Director Juhl moved that said Order be passed and adopted, that the President and Secretary or Assistant Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Gleditsch seconded said motion, which unanimously carried. Mr. Eichelberger advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

FUTURE AGENDA ITEMS AND SCHEDULE FOR UPCOMING MEETINGS

The Board next considered matters for possible placement on future agendas and scheduling of future meetings. Except as may be reflected above, there were no additional agenda items requested other than routine, and ongoing matters. The Board concurred to cancel its meeting scheduled for March 5, 2024. It was noted, therefore, that the next meeting of the Board of Directors will be held on April 2, 2024, as scheduled.

ADJOURN

There being no further business to come before the Board, it was moved by Director Maham, seconded by Director McConn and unanimously carried, that the meeting be adjourned.

SEAL

Secretary

LIST OF ATTACHMENTS TO MINUTES

February 6, 2024

- Exhibit A: Tax Assessor-Collector Reports
- Exhibit B: Resolution Concerning Exemptions from Taxation
- Exhibit C: Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit D: Bookkeeper's Report
- Exhibit E: Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions, with lists of qualified brokers
- Exhibit F: Engagement Letter with FORVIS, LLP (FYE February 28, 2024)
- Exhibit G: Engineering Report
- Exhibit H: Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit I: Resolution Concerning Developed District Status for 2024 Tax Year
- Exhibit J: Insurance Renewal Proposal from Brown & Brown
- Exhibit K: Memorandum regarding Joint Elections with Fort Bend County
- Exhibit L: Order Calling Directors Election