

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142

Minutes of Meeting of Board of Directors

January 11, 2024

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 142 (the "District") met in regular session, open to the public on January 11, 2024, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Randal L. Carter, President
John R. Morgan, Vice President
Ross Madia, Secretary
Philip Huseman, Assistant Secretary
James Cokinos, Assistant Secretary

all of whom were present, thus constituting a quorum.

Also attending the meeting were: Bradley Jenkins, Nolan Lambert, and Tyler Mai of Quiddity Engineering, LLC ("Quiddity"); Wendy Duncan of Environmental Development Partners, LLC ("EDP"); Miranda Burks of Wheeler & Associates, L.P. ("Wheeler"); Angie Hartwell of Touchstone District Services ("Touchstone"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("CHL"); Mark Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Matt Klein of TBG Partners ("TBG"); Kenneth Farrar of Best Trash, LLC ("Best Trash"); and John Eichelberger III of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There being no comments from the public, the Board proceeded to the next item of business.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the Board meeting held on December 6, 2023. Upon discussion, Director Madia moved that the minutes of the December 6, 2023, meeting be approved as written. Director Morgan seconded said motion, which unanimously carried.

SOLID WASTE COLLECTION AND RECYCLING REPORT

Mr. Farrar presented to and reviewed with the Board a monthly report from Best Trash, a copy of which is attached hereto as **Exhibit A**. Upon discussion, the Board concurred that no action was required.

Mr. Farrar exited the meeting at this time.

BOOKKEEPER'S REPORT

Mr. Burton reviewed with the Board the Bookkeeper's Report dated January 11, 2024, a copy of which report is attached hereto as **Exhibit B**, and the disbursements presented for payment. After discussion, Director Madia moved that the Board approve the Bookkeeper's Report, and the disbursements presented for payment, as reflected in the Bookkeeper's Report. Director Morgan seconded said motion, which unanimously carried.

QUALIFIED BROKER RESOLUTION

The Board considered adopting a 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 its list at least annually. He presented and reviewed with the Board the attached 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 and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit C**. Mr. Eichelberger noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Madia moved that: (i) 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 (ii) the President and Secretary be authorized to execute same. Director Morgan seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Burks reviewed with the Board the Tax Assessor-Collector Report dated as of December 31, 2023, and Delinquent Collections Listings, copies of which are attached hereto as **Exhibit D**. After discussion on the report, Director Madia moved that the report be approved and that the disbursements identified in the report be approved for payment. Director Morgan seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Eichelberger presented to and reviewed with the Board considered the Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto as **Exhibit E**. Upon discussion, Director Madia moved that Perdue be authorized to pursue all action items as listed in its report. Director Morgan seconded said motion, which unanimously carried.

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, a copy of which is attached hereto as **Exhibit F**. 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 Madia seconded by Director Morgan and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board, and that Perdue be authorized to proceed with the collection of the District's 2023 delinquent personal property accounts following proper notice as provided in said Resolution, including the filing of lawsuits, as necessary.

EXEMPTIONS FROM TAXATION

Mr. Eichelberger 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. After discussion, Director Madia moved that the District (a) not grant the residential homestead exemption, and (b) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$5,500 from ad valorem taxes levied by the District during the calendar year 2023, and that the Resolution attached hereto as **Exhibit G** relative to same be approved and adopted by the Board and District. Director Morgan seconded said motion, which carried unanimously.

ENGINEERING REPORT

Mr. Jenkins presented to and reviewed with the Board a written Engineering Report dated January 10, 2024, a copy of which report is attached hereto as **Exhibit H**. Upon review and discussion of the Engineering Report, Director Madia then moved that all action items in the Engineering Report be approved, including authorizing CZ Construction, LLC, to work on Saturdays to complete the Sanitary Sewer Cleaning and Televising Project. Director Huseman seconded said motion, which unanimously carried.

**UTILITY COMMITMENTS, OUT-OF-DISTRICT SERVICE, AND ANNEXATION;
DEVELOPMENT, FINANCING AND ANNEXATION AGREEMENT WITH KB HOME
LONE STAR, INC. ("KB")**

The Board considered approval of a Development, Financing and Annexation Agreement with KB Home for the annexation of an approximately 23-acre tract. Upon discussion, Director Madia moved that the Development, Financing and Annexation Agreement with KB be approved. Director Morgan seconded said motion, which unanimously carried.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Schroeder presented to and reviewed with the Board a report from CHL, a copy of which is attached hereto as **Exhibit I**. Upon review, the Board concurred that no action was required. Director Morgan seconded said motion, which unanimously carried.

OPERATOR'S REPORT

Ms. Duncan presented to and reviewed with the Board the Operator's Report dated January 11, 2024, a copy of which report is attached hereto as **Exhibit J**. Upon discussion, Director Madia moved that (i) the action items in the Operator's Report be approved, with the fire hydrant repair project to be awarded to the low bidder, Inframark ARS, and (ii) the customer adjustment request be denied. Director Morgan seconded said motion, which unanimously carried.

CONSUMER CONFIDENCE REPORTS

The Board considered authorizing EDP to provide required information to districts receiving water from the District relative to those recipients' Consumer Confidence Reports. After discussion on the matter, Director Madia moved that EDP be authorized to provide the required information as set forth above. Director Morgan seconded said motion, which carried unanimously.

COMMUNICATIONS REPORT

Ms. Hartwell presented and reviewed with the Board a Communications Report prepared by Touchstone, a copy of which is attached hereto as **Exhibit K**. Upon review, the Board concurred that no action was required.

HOMEOWNERS ASSOCIATION STREET LIGHT SERVICE REQUEST

Director Carter reported that he received a request from the Westheimer Lakes Property Owners Association for the District to assume responsibility for payment of electricity and other costs related to the street lights located within Westheimer Lakes. The Board noted that if it assumed such expenses in Westheimer Lakes, it would also need to assume such expenses in Briscoe Falls and Creekside Ranch. Director Carter and Mr. Eichelberger noted that it is not uncommon for municipal utility districts to assume such expenses for homeowners

associations. However, Mr. Eichelberger noted that the administrative work related such assumption for three subdivisions would be significant on the front end and that the ongoing cost would likely be significant. The Board concurred to keep an item on its monthly meeting agenda to allow for continued discussion on this topic.

PARKS MASTER PLANNING REPORT

Mr. Klein presented to and reviewed with the Board drill site park and trail design plans. He then reviewed a proposal from Terracon in the amount of \$15,900 for geotechnical technical services, copies of which are attached hereto as **Exhibit L**. Upon discussion, Director Madia moved that the proposal from Terracon be approved, subject to review by SPH. Director Morgan seconded said motion, which unanimously carried.

INFORMATION TECHNOLOGY COMMITTEE REPORT

Director Cokinos reported to the Board that the new tablets were received and that he is preparing same for the directors.

WATER CONSERVATION COMMITTEE REPORT

The Board deferred discussion of the North Fort Bend Water Authority's (the "NFBWA") Water Provider Conservation Program after noting that all necessary items were discussed under the Operator's Report.

OPERATIONS COMMITTEE REPORT

Director Huseman and Director Madia stated that they did not have anything to report to the Board.

NFBWA REPORT

Mr. Eichelberger presented to and reviewed with the Board a 2023 Water Usage Reporting Form, a copy of which is attached hereto as **Exhibit M**. Mr. Eichelberger stated that the NFBWA director appointment process for precincts 1, 3, 5 and 7 is underway but that the District is not within said precincts. Upon discussion, the Board concurred that EDP be authorized to complete the 2023 Water Usage Reporting Form on behalf of the Board and District.

KATY AREA ECONOMIC DEVELOPMENT COUNCIL REPORT ("KAEDC")

Director Carter provided an update to the Board regarding recent meetings of the KAEDC.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 229 ("NO. 229") REQUEST FOR PARTICIPATION IN SHARED SECURITY PATROL SERVICES

Mr. Eichelberger stated that there is no update at this time regarding the formulation of a desired security patrol plan with No. 229.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Eichelberger informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, 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. Mr. Eichelberger recommended that, FORVIS LLP ("FORVIS") the District's auditor, be authorized to prepare and submit the information, which work will be performed on an hourly basis at an estimated cost of \$400 to \$600. Following discussion, Director Madia moved, Director Morgan seconded, and it was unanimously carried that FORVIS be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Information Database.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board considered authorizing solicitation of proposals for renewal of the District's insurance policies. In that regard, Mr. Eichelberger advised the Board that the District's current insurance coverages are provided through Arthur J. Gallagher & Co. ("Gallagher"), and that such coverages will expire on March 31, 2024. Mr. Eichelberger inquired if the Board is interested in obtaining written proposals from other insurance providers. After discussion, Director Madia moved that SPH obtain renewal proposals from Gallagher. Director Morgan 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 N**, regarding participation in the joint election with Fort Bend County (the "County"). In connection therewith, Mr. Eichelberger advised that the County will administer the Election if the District participates in the County's joint election. Following discussion, it was moved by Director Madia, seconded by Director Morgan 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 considered the Attorney's Report. Mr. Eichelberger next presented to and reviewed with the Board with a memorandum prepared by SPH regarding the DuPont and 3M Class Action Settlements (the "Settlements") relating to presence of PFAS (per and polyfluoroalkyl substances) in drinking water, copy of which memorandum is attached hereto as **Exhibit O**. Upon discussion, the Board concurred to not opt out of the Settlements.

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

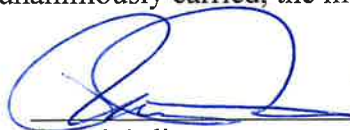
Directors Election (the "Order") attached hereto as **Exhibit P** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Morgan and Huseman expire in May of this year. In reviewing the Order with the Board, Mr. Eichelberger advised that the Order provides for 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 Michelle Guild 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. He further advised that, in addition to the above, notice must be posted on the District's website at least twenty-one (21) 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 and on the District's website. Mr. Eichelberger also noted that the County will determine the compensation paid to the County election officials. After discussion on the matter, Director Madia moved that said Order be passed and adopted, that the President and 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 Morgan 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

Other than as discussed earlier in the meeting and reflected above, there were no additional agenda items requested other than routine, ongoing matters.

ADJOURNMENT OF MEETING

There being no further business to come before the Board, upon motion made by Director Madia, seconded by Director Morgan and unanimously carried, the meeting was adjourned.



Ross Madia
Secretary, Board of Directors

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142
LIST OF EXHIBITS TO MINUTES

January 11, 2024

- Exhibit A Solid Waste and Recycling Report**
- Exhibit B Bookkeeper's Report**
- Exhibit C Resolution Adopting List of Qualified Brokers Authorized to Engage
in Investment Transactions with the District; Qualified Broker
Comparison List**
- Exhibit D Tax Assessor-Collector's Report**
- Exhibit E Delinquent Tax Report**
- Exhibit F Resolution Authorizing an Additional Penalty on Delinquent Personal
Property Taxes**
- Exhibit G Resolution Concerning Exemptions From Taxation**
- Exhibit H Engineering Report**
- Exhibit I Detention and Drainage Facilities Report**
- Exhibit J Operator's Report**
- Exhibit K Communications Report**
- Exhibit L Drill Site Park and Trail Designs; Terracon Proposal**
- Exhibit M NFBWA 2023 Water Usage Reporting Form**
- Exhibit N Memorandum regarding Joint Elections with Fort Bend County**
- Exhibit O Memorandum Regarding the DuPont and 3M Class Action
Settlements**
- Exhibit P Order Calling Directors Election**