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# FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142

## Minutes of Meeting of Board of Directors

## January 9, 2025

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 9, 2025, 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
Ross Madia, Vice President
Philip Huseman, Secretary
James Cokinos, Assistant Secretary

all of whom were present, thus constituting a quorum.

Also attending the meeting were: Bradley Jenkins and Tyler Mai of Quiddity Engineering, LLC ("Quiddity"); Wendy Duncan of Inframark, LLC ("Inframark"); Stephanie Dorrough of Wheeler & Associates, Inc. ("Wheeler"); Daenon Russell and Jenna Craig of Touchstone District Services ("Touchstone"); Johanna Strong of KB Home Lone Star, Inc. ("KB"); Sandra Leija of Champions Hydro-Lawn, Inc. ("CHL"); Mark Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Shawn Luna, District resident and prospective director; John Eichelberger of Schwartz, Page & Harding, L.L.P. ("SPH"). Maeve Lyman of TBG Partners ("TBG") participated in the meeting via videoconference.

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 presented, the Board continued to the next item of business.

**APPROVAL OF MINUTES**

The Board considered approval of the minutes of the Board meeting held on December 12, 2024. Upon discussion, Director Madia moved that the minutes of the December 12, 2024, meeting be approved as written. Director Huseman seconded said motion, which unanimously carried.

**ACCEPTANCE OF QUALIFICATION STATEMENT, BOND, OATH OF OFFICE, AND AFFIDAVIT OF CURRENT DIRECTOR FOR SHAWN LUNA**

Mr. Luna introduced himself and expressed a desire to fill the vacancy on the Board. The Board considered the acceptance of a Qualification Statement of Elected Officer, Bond, Oath of Office, and Affidavit of Current Director for Shawn Luna. In that regard, Mr. Luna presented his Statement of Elected Officer, Oath of Office, Affidavit of Current Director and official Bond.

After discussion on the matter, it was moved by Director Madia, seconded by Director Huseman and unanimously carried that the Board approve said Bond, and accept said Oath, Statement, and Affidavit.

**ELECTION NOT TO DISCLOSE CERTAIN INFORMATION**

Mr. Eichelberger presented to the Board an Election Not to Disclose Certain Information (the "Disclosure Form") for Mr. Luna. Mr. Eichelberger stated that pursuant to Section 552.024 of the Texas Government Code, as amended, directors may elect to withhold public access to information in the custody of the District, including any additional information in the District's custody that is not specifically listed on the Disclosure Form. Upon review, Director Madia moved that the Disclosure Form be accepted. Director Huseman seconded said motion, which unanimously carried.

**ELECTION OF OFFICERS OF THE BOARD OF DIRECTORS**

The Board considered reorganization of officers of the Board of Directors. Upon discussion, Director Madia moved that Director Luna be nominated for and elected to the position of Assistant Secretary. Director Huseman seconded said motion, and with no other nominations, the motion unanimously carried. The Board concurred that the other director positions remain the same.

**DISTRICT REGISTRATION FORM**

Mr. Eichelberger presented and reviewed with the Board a District Registration Form to be filed with the Texas Commission on Environmental Quality in connection with the appointment of Director Horton to the Board of Directors of the District. After discussion on the matter, Director Madia moved that the District Registration Form be approved as presented. Director Huseman seconded said motion, which unanimously carried.

**LOCAL GOVERNMENT OFFICERS LIST**

Mr. Eichelberger reminded the Board that, pursuant to amendments to Chapter 176 of the Texas Local Government Code, the District is required to and does maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Madia moved that the District prepare and maintain a list of local government officers as required by law. Director Huseman seconded said motion, which unanimously carried.

**TEXAS OPEN MEETINGS ACT AND TEXAS PUBLIC INFORMATION ACT**

A discussion ensued regarding certain training requirements for public officials in Texas. Mr. Eichelberger advised Director Horton that public officials must complete separate training courses regarding the Texas Open Meetings Act ("OMA") and the Texas Public Information Act ("PIA"). Mr. Eichelberger advised that, as a new director, it is Director Luna's responsibility to ensure that she completes his training within ninety (90) days of today, and provide evidence of same to SPH for the District's records. Mr. Eichelberger reported that the Texas Attorney General has set up a link to access the training video which satisfies the training requirements for both the OMA and PIA.

**CONFLICTS DISCLOSURE STATEMENT REPORTING MEMORANDUM**

Mr. Eichelberger addressed the Board regarding Section 176.003 of the Local Government Code, pertaining to conflicts disclosure requirements. He stated that Director Luna was provided with a Memorandum prepared by SPH addressing Section 176.003 of the Local Government Code, a copy of which is attached hereto as **Exhibit A**, and requested that he answer the included questions, sign and return the form to SPH for the District's files.

**BOOKKEEPER'S REPORT**

Mr. Burton reviewed with the Board the Bookkeeper's Report dated January 9, 2025, 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 Huseman seconded said motion, which unanimously carried.

**TAX ASSESSOR-COLLECTOR REPORT**

Ms. Dorrough reviewed with the Board the Tax Assessor-Collector Report dated as of December 31, 2024, and Delinquent Collections Listings, copies of which are attached hereto as **Exhibit C**. After discussion on the report, Director Madia moved that the report be approved and that the disbursements identified in the reports be approved for payment. Director Huseman seconded said motion, which carried unanimously.

**DELINQUENT TAX COLLECTIONS REPORT**

Mr. Eichelberger presented to and reviewed with the Board the Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto as **Exhibit D**. The Board noted that no action was requested at this time.

**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 E**. 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 Huseman 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 2024 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 2025, 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 2025, and that the Resolution attached hereto as **Exhibit F** relative to same be approved and adopted by the Board and District. Director Huseman seconded said motion, which carried unanimously.

## ENGINEERING REPORT

Mr. Jenkins presented to and reviewed with the Board a written Engineering Report dated January 7, 2025, a copy of which report is attached hereto as **Exhibit G**. Upon review and discussion of the Engineering Report, Director Madia moved that all action items specifically set forth in the Engineering Report be approved. Director Cokinos seconded said motion, which unanimously carried

A separate discussion ensued regarding a request from C4 Partners, LLC ("C4") for a reduction in retainage from 5% to 2% in connection with their construction of the District's Permanent Wastewater Treatment Plant. Upon review and discussion of the Engineering Report, Director Madia then moved that the request from C4 be denied. Director Cokinos seconded said motion, with Directors Madia, Cokinos, Luna and Carter voting aye, and Director Huseman voting nay, the motion carried.

Mr. Jenkins reported to the Board that the Water Plant No. 2 water model shows that the northern plant alone will be sufficient to serve the District with groundwater in the event of an interruption in service from the North Fort Bend Water Authority (the "NFBWA") due to the reduced water well capacity. He advised that the Board should consider construction of a new water well prior to performing other improvements at the water plant to maximize cost efficiencies. Upon discussion, the Board requested that Quiddity provide an executive summary of the water model rather than a full report. The Board next discussed a request from Source Project Group for removal of oil and gas pipeline located underneath District property. After discussion, the Board concurred to decline to move forward with the proposed Purchase Agreement and Partial Release of Easement and Pipeline Bill of Sale due to the liability risks associated with same.

## UTILITY COMMITMENTS, OUT-OF-DISTRICT SERVICE, AND ANNEXATION

The Board deferred consideration of additional Utility Commitments, Out-of-District Service and/or Annexation requests after noting that no additional requests have been received.

Mr. Burton exited the meeting at this time.

## AMENDMENT TO DEVELOPMENT, FINANCING AND ANNEXATION AGREEMENT ("ANNEXATION AGREEMENT AMENDMENT") BY AND BETWEEN KB HOME LONE STAR, INC. ("KB") AND THE DISTRICT

Mr. Eichelberger reported to the Board regarding the status of the Annexation Agreement Amendment and noted that Rathmann & Associates, L.P. has requested prior developer reimbursement audits to assist in the preparation of calculations regarding models for potential reimbursement to KB for the public facilities required to serve the tract which is proposed to be annexed.

Ms. Strong noted that she had nothing additional to report at this time.

## DETENTION AND DRAINAGE FACILITIES REPORT

Ms. Leija then presented to and reviewed with the Board a report from CHL, a copy of which is attached hereto as **Exhibit H**.

Ms. Dorrough exited the meeting at this time.

## OPERATOR'S REPORT

Ms. Duncan presented to and reviewed with the Board the Operator's Report dated January 9, 2025, a copy of which report is attached hereto as **Exhibit I.** After discussion of the Operator's Report, Director Madia moved that (i) the proposal from A&J Superior Contracting in the amount of $24,405.00 for the fence replacement be approved; and (ii) Inframark be authorized to terminate service to delinquent accounts in accordance with the District's Rate Order. Director Huseman seconded said motion, which unanimously carried.

Ms. Duncan reported that Inframark is ready to commence the manhole survey requested at the December 2024 Board meeting.

## COMMUNICATIONS REPORT

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

## PARKS MASTER PLANNING REPORT

Ms. Lyman presented and reviewed a monthly status report. She reported to the Board that four (4) bids were received for the construction of the District's drill site park, a copy of which is attached hereto as **Exhibit K**. Ms. Lyman reported that HD Outdoor Designs, LLC, submitted the low bid in the amount of $3,928,869.42. She recommended that the second low bid from Millis Development and Construction, LLC, in the amount of $4,198,726.25 be approved as being the most qualified for the project. Upon discussion, Director Madia moved that the bid received from Millis in the amount of $4,198,726.25 be approved for the drill site park improvements, as recommended by TBG. Director Huseman seconded said motion, which unanimously carried.

## INFORMATION TECHNOLOGY COMMITTEE REPORT

Director Cokinos requested that the Board defer adoption of a Digital Report Policy until its next meeting.

## WATER CONSERVATION COMMITTEE REPORT

The Board deferred a decision regarding its participation in the NFBWA Water Provider Conservation Program at this time.

## OPERATIONS COMMITTEE REPORT

Mr. Eichelberger presented to the Board an updated Committee and Delegation Authority Summary of the Board's Committees, a copy of which is attached hereto as **Exhibit L**. Upon discussion, Director Madia moved that the Summary be approved as presented. Director Huseman seconded said motion, which unanimously carried.

## NFBWA REPORT

Director Carter noted that he did not have anything further to report regarding the meetings of the NFBWA.

## BEST TRASH REPORT

The Board deferred consideration of the Best Trash report after noting that a representative was not present.

## 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 Mazars, LLP ("Forvis Mazars"), the District's auditor, be authorized to prepare and submit the information. Following discussion, Director Madia moved, Director Huseman seconded, and it was unanimously carried that Forvis Mazars 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, 2025. He stated that a renewal proposal has been requested. After discussion, Director Madia moved that SPH obtain renewal proposals from Gallagher only at this time. Director Huseman seconded said motion, which unanimously carried.

## ATTORNEY'S REPORT

The Board considered the Attorney's Report. Mr. Eichelberger presented to and reviewed with the Board an Order Establishing Policy for Covered Applications and Prohibited Technology (the "Technology Policy"), a copy of which is attached hereto as **Exhibit M**. Mr. Eichelberger advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications," on electronic devices owned or leased by the District. Mr. Eichelberger noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Eichelberger further advised that the Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Madia moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Huseman seconded said motion, which unanimously carried.

## CLOSED SESSION

The Board did not enter into Closed Session.

## 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 Huseman and unanimously carried, the meeting was adjourned.

Philip Huseman
Philip Huseman
Secretary, Board of Directors



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

January 9, 2025

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|---|---|
| **Exhibit A** | **Local Government Officers List** |
| **Exhibit B** | **Bookkeeper's Report** |
| **Exhibit C** | **Tax Assessor-Collector's Report** |
| **Exhibit D** | **Delinquent Tax Report** |
| **Exhibit E** | **Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes** |
| **Exhibit F** | **Resolution Concerning Exemptions from Taxation** |
| **Exhibit G** | **Engineering Report** |
| **Exhibit H** | **Detention and Drainage Facilities Report** |
| **Exhibit I** | **Operator's Report** |
| **Exhibit J** | **Communications Report** |
| **Exhibit K** | **TBG Status Report** |
| **Exhibit L** | **Committees and Applicable Delegations of Authority** |
| **Exhibit M** | **Order Establishing Policy for Covered Applications and Prohibited Technology** |