

HARRIS-FORT BEND COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
Minutes of Meeting of Board of Directors
January 28, 2025

The Board of Directors (the "Board") of Harris-Fort Bend Counties Municipal Utility District No. 1 (the "District") met in special session, open to the public on January 28, 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:

David J. Beyer, President
Kristen Scott, Vice President
Ron Lovett, Secretary
Richard Hughes, Assistant Secretary
Joseph R. Longacre, Director

all of whom were present at the meeting, thus constituting a quorum.

Also attending the meeting were Randy Davila of Inframark, LLC ("Inframark"); Jolie Craft of Vogler & Spencer Engineering, Inc. ("VSE"); Debbie Bessire of Equi-Tax, Inc. ("Equi-Tax"); Terry Holland of Myrtle Cruz, Inc. ("Myrtle Cruz"); Ryan Fortner of Revenue Management Services ("RMS"); Sergeant Crowell of the Fort Bend County Precinct 1 Constable's Office ("FBC1"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("Eyring"); John Millice, resident of the District, who entered later in the meeting as noted herein; and Matthew Reed and Kris Eddlemon 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

There were no comments from the public at this time.

CONSENT AGENDA

After discussion, Director Lovett moved to approve the following items on the consent agenda. The motion was seconded by Director Hughes and carried unanimously.

Minutes

Approve the minutes of the December 17, 2024, Board meeting, as written.

Bookkeeper's Report

Approve the Bookkeeper's Report as of January 21, 2025, a copy of which is attached hereto as **Exhibit A**.

Tax Assessor-Collector Report

Approve the Tax Assessor-Collector Report for the month of December 2024, including the disbursements presented for payment. A copy of said report is attached hereto as **Exhibit B**.

Delinquent Tax Report

Review the Delinquent Tax Report dated January 21, 2025, as no action was required in connection therewith. A copy of said report is attached hereto as **Exhibit C**.

Personal Property Taxes

Adopt the Resolution Authorizing and Additional Penalty on Delinquent Personal Property Taxes attached hereto as **Exhibit D**.

Preparation and Submission of District Information to Texas Comptroller of Public Accounts

Authorize preparation and submission of District information to Texas Comptroller of Public Accounts as required by Section 403.0241, Texas Government Code, and Chapter 203, Texas Local Government Code, for inclusion in the Special Purpose District Public Information Database.

Mr. Millice entered the meeting at this time.

A discussion ensued regarding the quarterly meetings regularly held in January, April, July, and October each year within the District. Following discussion, the Board concurred that, going forward, meetings will be held within the District only on an as needed basis.

REVENUE MANAGEMENT SERVICES

Mr. Fortner next presented to and reviewed with the Board the January 2025 Quarter 1 Sales and Use Tax Report and Business List Update prepared by RMS, a copy of which is attached hereto as **Exhibit E**, in connection with collection of sales tax revenue funds received by the District pursuant to the Strategic Partnership Agreement with the City of Houston. Following discussion, Director Longacre moved that the Board approve the Business List Update, as discussed. Director Scott seconded the motion, which unanimously carried.

SECURITY REPORT

Sergeant Crowell next reviewed with the Board a security report from the Fort Bend County Precinct 1 Constable's Office for the month of December 2024. The Board also reviewed a monthly incident report generated by the Flock security cameras located within the District. No action was taken by the Board at this time, however, the Board requested that an officer be present at regular meetings until further notice.

Sergeant Crowell and Mr. Fortner exited the meeting at this time.

AUDIT REPORT

The Board reviewed a draft of the District's Audit Report prepared by Eyring for the District's fiscal year ended September 30, 2024, a copy of which is attached hereto as **Exhibit F**. Mr. Eyring reviewed various sections of the Audit Report with the Board. After further discussion, it was moved by Director Scott, seconded by Director Longacre and unanimously carried, that the Audit Report for the fiscal year ended September 30, 2024, be approved, subject to incorporation of any final comments received from the District's consultants and/or the Board, that the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and that such Audit Report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality and the Texas Comptroller of Public Accounts.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Reed 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 Sections 11.13 of the Tax Code, as amended. After discussion, the Board concurred to defer taking action on this matter until the next meeting. The Board requested that SPH ask Masterson Advisors for an exemption analysis .

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. Mr. Reed advised the Board that the District's current policies are provided through McDonald and Wessendorff and will expire on March 31, 2025. Following discussion, Director Beyer moved that SPH be authorized to solicit a proposal for renewal of the District's insurance coverage from McDonald and Wessendorff for review and consideration by the Board at its next meeting. Director Scott seconded the motion, which unanimously carried.

SOLID WASTE COLLECTION AND RECYCLING SERVICES

The Board next considered the status of solid waste collection and recycling services provided to the District by GFL Environmental ("GFL"). In that regard, the Board was provided a Customer Service Report from GFL, a copy of which is attached hereto as **Exhibit G**. No action was taken by the Board at this time.

PROPOSAL FOR WEBSITE AND COMMUNICATION SERVICES

The Board deferred review of a proposal for website and communication services from Touchstone District Services until the next meeting.

ENGINEERING REPORT

Ms. Craft next presented to and reviewed with the Board a written Engineering Report, a copy of which is attached hereto as **Exhibit H**, relative to the status of various projects within the District.

Regarding the conversion from chlorine gas to liquid bleach at the joint Water Plants, Director Longacre moved to approve the District's share of the cost of \$46,324 for equipment plus \$20,000 for building modifications and authorize VSE to submit the report regarding same to the Texas Commission on Environmental Quality. Director Scott seconded the motion, which unanimously carried.

Ms. Craft reported on the status of storage tank maintenance at Water Plant No. 2 by Aquastore, and advised that the District is in receipt of Pay Estimate No. 2 in the amount of \$93,187.60. She noted the District's share of these costs is approximately 38.86% (with the remainder to be paid by Harris-Fort Bend Counties Municipal Utility District No. 5). Following discussion, Director Longacre moved that the Board approve payment of Pay Estimate No. 2 to Aquastore, as recommended by Ms. Craft. Director Scott seconded the motion, which unanimously carried.

Ms. Craft requested authorization from the Board for VSE to prepare plans and specifications in connection with recoating at the Wastewater Treatment Plant. Following discussion, Director Longacre moved that VSE be authorized to prepare such plans and specifications. Director Scott seconded the motion, which unanimously carried.

Ms. Craft next reported on the status of drainage improvements in Falcon Point by Stone Castle Constructors ("Stone Castle"), and advised that the District is in receipt of Pay Estimate No. 3 in the amount of \$170,471.70 and Change Order No. 1 in the amount of \$2,364. Following discussion, Director Longacre moved that the Board approve payment of Pay Estimate No. 3 and Change Order No. 1 to Stone Castle, as recommended by Ms. Craft. Director Scott seconded the motion, which unanimously carried.

A discussion ensued regarding authorizing VSE to advertise for bids in connection with cleaning and televising of submerged storm sewers located in Falcon Point, Phase I (the "Project"). Following discussion, Director Longacre moved that VSE be authorized to advertise for bids for the Project, as discussed. Director Scott seconded the motion, which unanimously carried.

Mr. Reed next presented to and reviewed with the Board the Development, Financing, and Annexation Agreement (the "Agreement") between the District and Christopher J. Naeger, a copy of which is attached hereto as **Exhibit I**, regarding the proposed annexation of the approximately 3.77 acre tract on Saddlespur Lane (garage condos). Following discussion, Director Longacre moved that the Board approve the Agreement and authorize the President to execute same on behalf of the Board and the District. Director Scott seconded the motion, which unanimously carried.

Ms. Bessire exited the meeting at this time.

COMMITTEE REPORTS

The Board next considered reports from the Capital Improvement Plan Committee, Finance Committee, Sidewalk Committee, and Communications Committee. No action was taken by the Board at this time.

OPERATIONS REPORT

Mr. Davila next presented to and reviewed with the Board a written operations and maintenance report for the month of December 2024, a copy of which is attached hereto as **Exhibit J**. It was noted that the manhole located at 2447 Marquette Trail is in need of repair. Following discussion, the Board concurred that the manhole be repaired, as discussed.

Mr. Davila requested that the Board authorize Inframark to write-off one (1) account in the amount of \$15.43 as uncollectible. After discussion on the matter, Director Lovett moved that the Board authorize Inframark to write-off the account as uncollectible. Director Longacre seconded the motion, which unanimously carried.

Mr. Davila next advised that there are three (3) delinquent accounts with an outstanding balance over \$25.00 which Inframark has been unable to collect and recommends be turned over to Collections Unlimited for collection. Following discussion, Director Lovett moved that the accounts be forwarded to Collections Unlimited for handling, as discussed. Director Longacre seconded said motion, which unanimously carried.

Director Hughes and Kris Eddlemon exited the meeting at this time.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, the Board considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit K**. Mr. Reed 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. He 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. Reed further advised that the proposed 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 Longacre moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Scott seconded said motion, which unanimously carried.

CLOSED SESSION

The President announced at 4:00 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code Sections 551.071. Mr. Reed and Ms. Craft participated in the Closed Session. The remainder of those present exited the meeting at this time.

The Board reconvened in Open Session at 4:14 p.m., with all Board members, Mr. Reed, and Ms. Craft in attendance. Following discussion, Director Longacre moved that the Board award the contract for Lake Edge Erosion Repair to Silt Solutions in the amount of \$1,099,182.60, subject to review of the insurance and payment and performance bonds by SPH. Director Scott seconded the motion, which unanimously carried.

FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. No specific agenda items, other than routine and ongoing matters, were requested.

ADJOURNMENT

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

Asst. Secretary  _____

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A- Bookkeeper's Report
- Exhibit B- Tax Assessor Collector's Report
- Exhibit C- Delinquent Tax Report
- Exhibit D- Resolution Authorizing and Additional Penalty on Delinquent Personal Property Taxes
- Exhibit E- January 2025 Quarter 1 Sales and Use Tax Report and Business List Update prepared by RMS
- Exhibit F- Draft Audit Report
- Exhibit G- Customer Service Report from GFL
- Exhibit H- Engineering Report
- Exhibit I- Development, Financing, and Annexation Agreement between the District and Christopher J. Naeger
- Exhibit J- Operations and Maintenance Report
- Exhibit K- Order Establishing Policy for Covered Applications and Prohibited Technology