

MINUTES
RENN ROAD MUNICIPAL UTILITY DISTRICT
OF HARRIS AND FORT BEND COUNTIES, TEXAS

September 7, 2021

The Board of Directors (the "Board") of Renn Road Municipal Utility District of Harris and Fort Bend Counties, Texas (the "District"), met in regular session, open to the public, at the offices of Vogler & Spencer Engineering, Inc., 777 North Eldridge Parkway, Suite 500, Conference Room A, Houston, Texas 77079, outside the boundaries of the District, on the 7th day of September, 2021, and the roll was called of the members of the Board being present in-person or by telephone:

Russell G. Cook	President
Kathleen Farris	Vice President
Mario Peralta	Secretary
Bertha ("Candy") Fair	Assistant Vice President
Victoria D. Estick	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also attending the meeting in person or by telephone were Erica Rocha of SEAL Security Solutions, LLC; Chris Zarruk of Environmental Allies; Tracey Scott of Myrtle Cruz, Inc.; Robin Goin of Bob Leared Interests ("BLI"); Bob Ring and Missy Steadman of Inframark, LLC ("Inframark"); Ryan Vogler and Jeff Vogler of Vogler & Spencer Engineering, Inc. ("V&S"); Jennifer Hanna of BKD, LLP ("BKD"); Julie Gerdes of Rathmann & Associates, L.P.; Carl Peters of Kingsbridge Municipal Utility District; Miriam Beck and Carole Bagley of West Keegans Bayou Improvement District, Fort Bend and Harris Counties, Texas; and Katie Sherborne and Kathryn Easey of Allen Boone Humphries Robinson, LLP ("ABHR").

CONSIDER OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC

The Board discussed the necessity of continuing District operations and services during the state of disaster, and the Governor's orders and restrictions. Ms. Sherborne stated there were no issues to report at this time.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Goin presented and reviewed with the Board the monthly tax assessor/collector's report, a copy of which is attached, including a list of the checks presented for payment and the list of top delinquent tax accounts. She stated 99.044% of the District's 2020 taxes have been collected as of August 31, 2021.

The Board next reviewed a report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (“Perdue”), regarding the status of the District’s delinquent tax collections, a copy of which is attached. Ms. Goin requested Perdue be authorized to send water service termination letters to delinquent taxpayers.

Following review and discussion, Director Estick moved to (1) approve the tax assessor/collector’s report and payment of tax bills; and (2) authorize the tax assessor/collector to direct Perdue to send letters to property owners on the delinquent tax report notifying them of a hearing regarding the termination of their water service at the next Board meeting for non-payment of taxes. Director Peralta seconded the motion, which passed unanimously.

TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202, TEXAS GOVERNMENT CODE

Ms. Sherborne discussed recent legislation enacting Section 2051.202, Texas Government Code, which requires certain special purpose districts to post or cause to be posted additional information on a website maintained by or accessible to the District. She said the new requirements apply to districts that levy a property tax, are required to prepare an annual audit, and have a population of 500 or more as of the beginning of the most recent fiscal year. Ms. Sherborne reviewed a summary of the new requirements, a copy of which is attached.

The Board discussed the applicability of the new posting requirements to the District and the possibility of expanding the website used by the District for compliance with previously-enacted transparency requirements. Ms. Goin discussed the services currently provided by BLI to implement existing transparency requirements, including ensuring that information posted on the website is accurate and current. She presented a proposed amendment to the District’s contract with BLI to incorporate the new posting requirements on the existing website.

After review and discussion, Director Farris moved to approve the amendment to the contract between the District and BLI as presented and direct that the amendment be filed appropriately and retained in the District’s official records. Director Peralta seconded the motion, which passed unanimously.

DISCUSS 2021 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2021 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District’s 2021 tax rate. Ms. Sherborne 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 Developing District for the 2021 tax year. Following review and discussion, Director Peralta moved to adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developing District for the 2021 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the resolution be filed appropriately and retained in the District's official records. Director Farris seconded the motion, which passed unanimously.

Ms. Gerdes reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2021 water, sewer, and drainage debt service tax rate of \$0.38 per \$100 of assessed valuation, based on the District's initial 2021 assessed value of \$268,746,326. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Sherborne discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Estick moved to (1) set the public hearing date for October 7, 2021; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 7, 2021, to set the proposed 2021 total tax rate of \$0.69 per \$100 of assessed valuation, with \$0.38 allocated for debt service on water, sewer, and drainage bonds, and \$0.31 allocated for operations and maintenance. Director Fair seconded the motion, which passed unanimously.

MINUTES

The Board considered approving the minutes of the August 6, 2021, meeting. Following review and discussion, Director Fair moved to approve the minutes of the August 6, 2021, meeting, as submitted. Director Farris seconded the motion, which passed unanimously.

PUBLIC COMMENTS

There was no discussion on this agenda item.

GARBAGE COLLECTION AND RECYCLING MATTERS

The Board reviewed a report regarding garbage and recycling collection in the District, a copy of which is attached.

SECURITY AND PATROL MATTERS

Ms. Rocha presented and reviewed a report regarding security in the District, a copy of which is attached. Director Fair reported that she is not receiving security reports and patrol schedules.

MOWING AND DETENTION POND MAINTENANCE

Mr. Zarruk presented and reviewed a mowing and detention pond maintenance report, a copy of which is attached.

RESOLUTION RESCINDING DELEGATION OF AUTHORITY DUE TO AN EMERGENCY

The Board concurred to defer action on this item until the next Board meeting.

RESOLUTION RESCINDING DESIGNATION OF TREASURER DURING COVID-19 DECLARED DISASTER

The Board concurred to defer action on this item until the next Board meeting.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott presented and reviewed the bookkeeper's report, including the District's monthly bills, for the Board's consideration. A copy of the bookkeeper's report, including a list of the bills approved for payment, is attached. She reviewed the District's updated year-to-date budget comparison, investment report, pledged securities report, report on the sewage treatment plant general operating account, and a year-to-date budget for the sewage treatment plant.

Ms. Scott then presented and reviewed draft budgets for the District and the regional wastewater treatment plant for the fiscal year end September 30, 2022. Copies of the budgets are attached to the bookkeeper's report.

Following review and discussion, Director Peralta moved to (1) approve the bookkeeper's report and the bills presented for payment; and (2) approve the budgets for the District and the regional wastewater treatment plant for the fiscal year end September 30, 2022, as presented. Director Farris seconded the motion, which passed unanimously.

The Board then considered approving a Depository Pledge Agreement with Central Bank for the District's funds. Following review and discussion, Director Farris moved to (1) authorize the transfer of the District's accounts to Central Bank; (2) approve the Depository Pledge Agreement between the District and Central Bank; and (3) approve and authorize execution of any ancillary documents related to opening

the District's accounts with Central Bank, subject to review and approval by ABHR. Director Estick seconded the motion, which passed unanimously.

ENGAGE AUDITOR

The Board considered engaging an auditor to prepare the District and regional sewage treatment plant audit reports for the fiscal year ending September 30, 2021. Ms. Hanna presented an engagement letter from BKD, and stated that the estimated cost, excluding postage, printing, and delivery, to prepare the District's audit report is \$17,800, and the estimated cost is \$4,400 for the regional sewage treatment plant audit. Following review and discussion, Director Farris moved to (1) engage BKD to prepare the annual audit reports; and (2) approve the engagement letter with BKD and direct the engagement letter be filed appropriately and retained in the District's official records. Director Peralta seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Ring presented and reviewed with the Board the monthly operator's report, a copy of which is attached. He updated the Board on inspections, repairs, and maintenance items performed in the District. He stated that the District currently has 1,470 water connections and the percentage of water billed versus water produced for the previous billing cycle was 92.75%.

Mr. Ring discussed an amendment of Section 182.052 of the Utilities Code requiring government-operated utilities to keep certain customer information confidential unless the customer requests disclosure to third parties.

Mr. Ring updated the Board on the status of the smart meter replacement project. He stated smart meter educational materials will be provided to customers when the smart meter replacement project has been completed.

Mr. Ring reviewed one delinquent account totaling \$34.74 deemed uncollectible by the operator, and recommended the account be submitted to the collection agency.

Mr. Ring presented a list of delinquent customers, and reported that the customers 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 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 Farris moved to (1) approve the operator's report; (2) authorize Inframark to turn over to collections the one account totaling \$34.74; and (3) authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed

appropriately and retained in the District's official records. Director Peralta seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

There was no discussion on West Harris County Regional Water Authority matters.

Mr. Vogler updated the Board on the status of the clarifier rehabilitation project and the Wastewater Treatment Plant permit renewal.

Mr. Vogler updated the Board on the status of the construction project on Belknap Road from Old Richmond Road to West Belfort and reported that no District utility adjustments are required. He stated Fort Bend County anticipates starting construction in 2022 with completion scheduled in 2023.

Mr. Vogler updated the Board on the status of the construction project on Old Richmond Road from Belknap Road to Sugarland Howell.

Mr. Vogler stated there was no change on the status of the interlocal agreement with Harris and Fort Bend Counties to repair the pavement and inlet issues in Keegans Wood.

Mr. Vogler updated the Board on the status of the interconnect with Fort Bend County Municipal Utility District No. 2 ("FBCMUD2"). He stated FBCMUD2 has reviewed Harmony School's relative water usage data from other Harmony School campuses in the area and determined capacity is available. Ms. Sherborne stated the interim and emergency water supply agreement is under review.

Mr. Vogler updated the Board on the status of the Harmony School public utility extension project. He stated V&S and Harmony School are currently awaiting agency approvals of the plans, but onsite clearing is underway.

Mr. Vogler updated the Board on the status of bond application no. 9. He stated the application was declared administratively complete by the Texas Commission on Environmental Quality on August 2, 2021.

Mr. Vogler stated there was no update on the Harris County tree planting project and recommended this item be removed from the agenda.

Following review and discussion, Director Fair moved to (1) approve the engineer's report; and (2) approve the interim and emergency water supply agreement

with FBCMUD2, subject to finalization, and direct that the agreement be filed appropriately and retained in the District's official records. Director Estick seconded the motion, which passed unanimously.

STORM WATER MANAGEMENT PLAN

There was no discussion on this agenda item.

KINGSBRIDGE MUNICIPAL UTILITY DISTRICT, WEST KEEGAN'S BAYOU IMPROVEMENT DISTRICT ("WEST KEEGAN'S"), AND REGIONAL MUNICIPAL MEETING MATTERS

Director Cook reported the West Keegan's bike trail has been completed and final punch list items are being addressed. Directors Cook and Farris reported that West Keegan's is considering installing security cameras along the West Keegan's Bayou trail.

Director Farris updated the Board on the status of the Association of Water Board Directors' amended bylaws. Discussion ensued and the Board concurred to vote for the amended bylaws.

DISCUSS REGULAR MEETING DATE AND TIME

The Board concurred to hold the next Board meeting at the offices of V&S on Thursday, October 7, 2021, at 11:30 a.m.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



Maria Penolto

Secretary, Board of Directors

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