

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 206

August 13, 2024

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 206 (the "District"), met in regular session, open to the public, on the 13th day of August, 2024, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Robin Stoner	President
Amy Rozell	Vice President
Sandra Weider	Secretary
Kathrin Yokubaitis	Assistant Secretary
Cheryl A. Kainer	Assistant Vice President/Assistant Secretary

and all of the above were present, except Directors Weider and Rozell, thus constituting a quorum.

Also present at the meeting were: Debbie Shelton of Masterson Advisors LLC; Mary Ann Mihills and Putri Tesalonika of Municipal Accounts & Consulting, L.P.; Debbie Arellano of Bob Leared Interests; Ryan Mapes of Si Environmental, LLC (SiEnviro"); Zach Halbert of Champions Hydro-Lawn, Inc. ("Champions"); Danielle Gonzalez of Odyssey Engineering; and Sandra Staine and Faye Simonds of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board considered approving the regular meeting minutes of June 11, 2024. After review and discussion, Director Stoner moved to approve the minutes as presented. Director Yokubaitis seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR

The Board discussed authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to perform the annual audit for fiscal year ending July 31, 2024. Ms. Staine noted an anticipated fee to conduct the audit for fiscal year ending July 31, 2024, at a cost not to exceed \$15,500.00. Following review and discussion, Director Stoner moved to authorize McCall to conduct the District's audit for the fiscal year ending July 31, 2024. Director Yokubaitis seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills introduced Ms. Tesalonika to the Board. She then reviewed the bookkeeper's report and presented checks for payment to the Board, a copy of which is attached.

Ms. Mihills reviewed a budget for the fiscal year end July 31, 2025.

The Board discussed the Association of Water Board Directors ("AWBD") summer conference. Ms. Mihills stated the AWBD winter conference will be held January 24 through January 25, 2023, in Austin, Texas.

The Board reviewed the District's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time.

Ms. Staine reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She stated that the bookkeeper has provided an updated list of the authorized depository institutions and broker/dealers with whom the District may engage in investment transactions as an exhibit to the Resolution.

Following review and discussion, Director Stoner moved to: (1) approve the bookkeeper's report and payment of the bills; (2) adopt the budget for the fiscal year end July 31, 2025, as presented; (3) approve reimbursement of eligible expenses for the summer conference, which were submitted in accordance with the district's travel reimbursement guidelines; (4) authorize all interested Directors to attend the AWBD winter conference; (5) adopt the Resolution Regarding Annual Review of Investment Policy; and (6) adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Director Yokubaitis seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano distributed the tax assessor/collector's monthly report, a copy of which is attached.

Ms. Staine 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 2024 tax year.

After review and discussion, Director Stoner moved to: (1) approve the tax assessor/collector's report and the checks presented for payment; and (2) adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing district for the 2024 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 Kainer seconded the motion, which passed by unanimous vote.

Ms. Shelton distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 water, sewer, and drainage debt service tax rate of \$0.68 per \$100 of assessed valuation based on the District's initial 2024 certified value of \$229,520,349, plus \$990,607 representing the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Shelton discussed the two-step process for setting the District's tax rate. The Board considered the District's 2024 tax rate.

Following review and discussion, Director Stoner moved to: (1) set the public hearing date for September 10, 2024; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on September 10, 2024, to set the proposed 2024 total tax rate of \$1.27 per \$100 of assessed valuation, with \$0.68 allocated for debt service on water, sewer, and drainage bonds, and \$0.59 allocated for operations and maintenance. Director Kainer seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES; HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT ACCOUNTS

Mr. Mapes distributed and reviewed the operator's report, a copy of which is attached. He then reported on the operation of the District's facilities during Hurricane Beryl.

Mr. Mapes reported on routine maintenance and repair items in the District.

Mr. Mapes presented a list of delinquent customers and reported the residents 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 of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

Mr. Mapes reviewed the Consumer Price Index ("CPI") adjustment affecting the labor and equipment rate contained in the District's agreement with SiEnviro. He reported that the CPI reflected a 3.3% increase from last year, effective July 1, 2024.

Following review and discussion, Director Kainer moved (1) to approve the operator's report; and (2) that because the customers on the termination list were not present at the meeting to address the Board and had not submitted a written statement on the matter, to authorize the District's operator to proceed with termination of utility service for such customers in accordance with the District's Rate Order, and direct that the customer termination list be filed appropriately and retained in the District's official records. Director Stoner seconded the motion, which passed unanimously.

STORM WATER FACILITIES MAINTENANCE AND OPERATIONS

Mr. Halbert distributed and reviewed the monthly report on storm water facilities maintenance and operations for the District. A copy of the report is attached.

Mr. Halbert discussed the non-permanent no parking signage in the District and provided an estimate to purchase 30 non-permanent no parking signs and 20 additional stakes in an amount not to exceed \$1,100.00.

Following discussion, Director Stoner moved to approve the report on storm water facilities maintenance and operations and authorize the purchase of 30 non-permanent no parking signs and 20 additional stakes in an amount not to exceed \$1,100.00. Director Yokubaitis seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Ms. Gonzalez reviewed the engineer's report, a copy of which is attached. She updated the Board on construction projects underway, as reflected in her report.

Ms. Gonzalez updated the Board on the District's Phase II MS4 Storm Water Management Plan.

Ms. Gonzalez stated that bids were received for the construction of the Emergency Interconnect between the District and Fort Bend County Municipal Utility District No. 30 ("FB30") and recommended award of the contract to Texas Underground Utilities in the amount of \$58,871.00. The Board concurred that, in its judgment, Texas Underground Utilities was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Ms. Gonzalez updated the Board on the water plant maintenance, including water plant no. 1 tank repair.

Following discussion, and based upon the engineer's recommendation, Director Stoner moved to approve the engineering report and award the contract for the construction of the Emergency Interconnect between the District and FB30 in the amount of \$58,871.00, to Texas Underground Utilities, subject to receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Kainer seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX ROAD BONDS (“SERIES 2024 ROAD BONDS”)

The Board did not receive a preliminary reimbursement report.

Ms. Gonzalez reviewed a final cost summary with the Board.

Ms. Shelton reviewed the proposed Preliminary Official Statement and Official Notice of Sale for the Series 2024 Road Bonds with the Board.

The Board discussed appointing Bank of New York as the Paying Agent/Registrar for the District’s Series 2024 Road Bonds.

Ms. Shelton discussed the Series 2024 Road Bonds schedule.

Following review and discussion, Director Stoner moved to: (1) approve the final cost summary; (2) approve the Preliminary Official Statement and Official Notice of Sale, subject to ABHR review; (3) to appoint Bank of New York as the Paying Agent/Registrar for the Series 2024 Road Bonds; and (4) authorize advertisement for the sale of the Series 2024 Road Bonds and hold the bond sale at the District’s regular meeting on September 10, 2024, at 12:30 p.m. Director Yokubaitis seconded the motion, which passed unanimously.

ATTORNEY’S REPORT

There was no discussion on this agenda item.

CONFIRM DATE AND TIME OF NEXT MEETING

The Board concurred to hold the next regular meeting on September 10, 2024, at 12:30 p.m.

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

/s/ Sandra Weider
Secretary, Board of Directors

(SEAL)



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