

## **FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 94**

### **Minutes of Special Meeting of Board of Directors March 27, 2023**

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 94 ("District") met at the Board's regular meeting place on March 27, 2023, in accordance with the duly posted notice of special meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Sean Gutierrez, President  
Cleo Holguin, Vice President  
Fred Maynard, Secretary  
Ken Bartling, Assistant Secretary  
JoAnn Hartfiel, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also attending the meeting were Debbie Arellano of Bob Leared Interests ("BLI"); Diane Michaux of Municipal Accounts & Consulting, L.P. ("MAC"); Rebecca Watkins of Quiddity Engineering, LLC ("Quiddity"); Brian Krueger of FORVIS, LLP ("Forvis"); and Gina Free of Schwartz, Page & Harding, L.L.P. ("SPH").

Following the roll call, 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 continued to the next item of business.

### **APPROVE MINUTES**

The Board considered approval of the minutes of its Board of Directors meeting held on November 9, 2022. After discussion of the minutes presented, Director Gutierrez moved that same be approved, as presented. Director Maynard seconded said motion, which unanimously carried.

### **BOOKKEEPER'S REPORT**

Ms. Michaux presented to and reviewed with the Board the Bookkeeper's Report dated March 27, 2023, a copy of which is attached hereto as **Exhibit A**. She then presented to and reviewed with the Board the Quarterly Investment Report for the period ended December 31, 2022, a copy of which is attached to the Bookkeeper's Report. Ms. Michaux noted the addition of check no. 3068 to Forvis. After discussion, Director Gutierrez moved that (i) the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment,

including the addition of check no. 3068, and (ii) the Quarterly Investment Report be approved and the District's Investment Officers be authorized to execute same on behalf of the Board and the District. Director Maynard seconded said motion, which unanimously carried.

#### **APPROVAL OF AUDIT REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

The Board next considered the District's audit report for its fiscal year ended December 31, 2022. In connection therewith, Mr. Krueger reviewed with the Board a draft of the District's audit report, a copy of which report is attached hereto as **Exhibit B**. After discussion concerning the audit presented, Director Gutierrez moved that (i) the audit report for the District's fiscal year ended December 31, 2022, be approved, subject to final review and comment by SPH, (ii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and (iii) the audit report and Annual Filing Affidavit be filed with the Texas Commission on Environmental Quality. Director Maynard seconded said motion, which unanimously carried.

In connection with the District's audit, Mr. Krueger next presented to and reviewed with the Board a draft Management Letter prepared by Forvis, concerning the Board's internal controls over financial reporting (the "Management Letter") and the District's response to same, prepared by SPH ("Management Response"), a copy of which is included with **Exhibit B**. After discussion, it was moved by Director Gutierrez, seconded by Director Maynard and unanimously carried, that the draft Management Response be approved, as presented, and that the same be included in the final Management Letter.

#### **AUTHORIZE PREPARATION AND FILING OF CONTINUING DISCLOSURE REPORT**

The Board next considered approval of the Annual Financial and Operating Report ("Continuing Disclosure Report") in connection with the District's outstanding bonds. In connection therewith, Ms. Free requested the Board's authorization for McCall Parkhurst & Horton ("MPH"), the District's continuing disclosure counsel, to prepare and submit said Continuing Disclosure Report to the appropriate entities on behalf of the District. After discussion, Director Gutierrez moved that the Board authorize MPH to prepare said Continuing Disclosure Report and file same with the appropriate entities. Director Maynard seconded the motion, which carried unanimously.

#### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE DISTRICT**

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Free 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**. She 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 Gutierrez moved that 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 that the President and Secretary be authorized to execute same. Director Maynard seconded said motion, which unanimously carried.

### **UNCLAIMED PROPERTY**

The Board next considered authorizing the District's consultants to research unclaimed property and the District's Bookkeeper to prepare an Unclaimed Property Report as of March 1, 2023. In connection therewith, Ms. Michaux and Ms. Arellano confirmed that the District did not have any unclaimed property for the reporting period, and presented correspondence regarding same, a copy of which is attached hereto as **Exhibit D**. It was noted that no Board action was required regarding this matter.

### **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Arellano presented the Tax Assessor-Collector's Reports for the months of November 2022, October 2022, December 2022, January 2023 and February 2023, copies of which are attached hereto as **Exhibit E**. Ms. Arellano requested that the Board consider moving one account to the uncollectible roll in the amount of \$2,371.51 for 2018 personal property taxes. After discussion, it was moved by Director Gutierrez, seconded by Director Maynard, and unanimously carried, that said Tax Assessor-Collector's Reports be approved as presented, the disbursements listed therein be approved for payment, and BLI be authorized to move the one account presented to the uncollectible roll, as discussed.

### **EXEMPTIONS FROM TAXATION FOR 2023**

Ms. Free presented to and reviewed with the Board the Tax Exemption Analysis prepared by Masterson Advisors LLC, a copy of which is attached hereto as **Exhibit F**. After discussion of the matter, Director Gutierrez moved that the District (a) not grant a 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 \$12,500 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 the District. Director Maynard seconded said motion, which carried unanimously.

### **ADOPTION OF RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit H**. Ms. Free advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions on April 1, an additional penalty not to exceed twenty percent (20%) of the total personal property taxes, penalty and interest due the District on

personal property taxes that remain delinquent as of April 1 of the year in which they became delinquent. After discussion, it was moved by Director Gutierrez, seconded by Director Maynard and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board and that the District's delinquent tax attorney be authorized to proceed with the collection of the District's delinquent personal property tax accounts on April 1, 2023, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

#### **RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES AND AUTHORIZING DELINQUENT TAX ATTORNEYS TO COLLECT SUCH TAXES**

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. In connection therewith, Ms. Free advised that the Board is authorized pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total real property taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. She noted that the additional penalty to be imposed will not apply to delinquent personal property taxes which have already incurred an additional penalty pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. After further discussion, it was moved by Director Gutierrez, seconded by Director Maynard, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, which is attached hereto as **Exhibit I**, be adopted by the District, and that the District's delinquent tax attorney be authorized to proceed with the collection of all of the District's delinquent real property tax accounts on July 1, 2023, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

#### **DELINQUENT TAX COLLECTIONS**

The Board considered the delinquent tax report dated April 27, 2023, a copy of which is attached hereto as **Exhibit J**, received from Perdue, Brandon, Fielder, Collins & Mott L.L.P. ("Perdue"). It was noted that no Board action was required in connection with said report.

#### **DEVELOPER'S REPORTS**

The Board deferred consideration of the Developer's Reports.

#### **ENGINEER'S REPORT AND UTILITY COMMITMENTS**

Ms. Watkins then presented to and reviewed with the Board the Engineer's Report dated March 27, 2023, a copy of which is attached hereto as **Exhibit K**. It was noted that no Board action was required.

### **ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS**

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Ms. Free reported that SPH recommends that the District adopt the updated United States Department of Labor ("DOL") wage rate scales, as permitted under Section 2258.022 of the Government Code. After discussion on the matter, Director Gutierrez moved that the DOL wage rate scales for Fort Bend County, Texas be adopted as the District's prevailing wage rate scale for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects attached hereto as **Exhibit L**, be adopted by the Board. Director Maynard seconded said motion, which unanimously carried.

### **ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2023 TAX YEAR**

Ms. Free presented to and reviewed with the Board the Resolution Concerning Developed District Status for 2023 Tax Year. A copy of the Resolution is attached hereto as **Exhibit M**. Following discussion, upon motion made by Director Gutierrez, seconded by Director Maynard, and unanimously carried, the attached Resolution was adopted by the Board.

### **RENEWAL OF DISTRICT INSURANCE COVERAGES**

The Board considered the review of proposal for renewal of the District's insurance coverages for the term expiring March 31, 2023. In that regard, Ms. Free reviewed with the Board a renewal proposal received from the District's current insurance broker, Arthur J. Gallagher & Co., a copy of which is attached hereto as **Exhibit N**. After discussion on the matter, Director Gutierrez moved that the proposal be accepted by the Board and that the President be authorized to execute such proposal on behalf of the Board and the District. Director Maynard seconded said motion, which unanimously carried.

### **VOTING SYSTEM ANNUAL FILING FORM**

The Board considered authorizing the completion, execution and filing with the Texas Secretary of State of a Voting System Annual Filing Form relative to District elections. Ms. Free advised that, pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Form with the Secretary of State's office. After discussion, Director Gutierrez moved that SPH be authorized to complete and file the Form with the Texas Secretary of State's Office on behalf of the Board and the District. Director Maynard seconded said motion, which unanimously carried.

### **SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE**

Ms. Free next 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 Comptroller for inclusion in the Special Purpose District Public Information

Database. Ms. Free recommended that, Forvis, the District's auditor, be authorized to prepare and submit said information to the Comptroller on the Board's behalf. Following discussion, Director Gutierrez moved, Director Maynard 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 Public Information Database.

### **ATTORNEY'S REPORT**


The Board considered the Attorney's Report. Ms. Free advised that she had nothing further to discuss with the Board of a legal nature which was not covered under specific agenda items.

### **FUTURE AGENDA ITEMS**

The Board considered items for placement on future agendas. After consideration on the matter, no specific items, other than routine and ongoing matters were requested.

### **ADJOURNMENT OF MEETING**

There being no further business to come before the Board, Director Gutierrez moved that the meeting be adjourned. Director Maynard seconded said motion, which unanimously carried.

  
Secretary  
Board of Directors

### **LIST OF ATTACHMENTS TO MINUTES**

Exhibit A	Bookkeeper's Report; Quarterly Investment Report (December 31, 2022);
Exhibit B	Draft Audit Report and Management Letter and Management Response
Exhibit C	Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
Exhibit D	Correspondence from MAC regarding no unclaimed property for 2023
Exhibit E	Tax Assessor-Collector's Reports (November 2022 through December 2022, January 2023 and February 2023)
Exhibit F	2023 Homestead Exemption Analysis
Exhibit G	Exemptions From Taxation For 2023
Exhibit H	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
Exhibit I	Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
Exhibit J	Delinquent Tax Report by Perdue
Exhibit K	Engineering Report
Exhibit L	Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
Exhibit M	Resolution Concerning Developed district Status for 2023 Tax Year
Exhibit N	Insurance Proposal for the term 2023 through 2024 (AJG)