

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 122

September 20, 2023

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 122 ("District") met in regular session, open to the public, on the 20th day of September 2023, at 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:

Diane Perkins	President
Barbara Nelson	Vice President
Melissa Colihan	Secretary
Julia Mercer	Assistant Secretary
Shariq Ghani	Assistant Vice President

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

Also present at the meeting were Sherri Greenwood of FORVIS, LLP ("Forvis"); Christy Wells and Kenny Wells of NJ Services, LLC ("NJ Services"); Justin Klump of Storm Water Solutions, LLC; Esther Flores of Tax Tech, Inc. ("Tax Tech"); Kyle Swanson and Cole Caraway of LJA Engineering, Inc. ("LJA"); Erin Garcia of Myrtle Cruz, Inc. ("Myrtle Cruz"); Calvin Browne of Municipal District Services, LLC ("MDS"); and Adisa Harrington and Kia Fields of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the regular and special meeting minutes of August 16, 2023. After review and discussion, Director Nelson moved to approve the regular and special meeting minutes, as presented. Director Mercer seconded the motion, which passed by unanimous vote.

RECEIVE REPORTS FROM DIRECTORS

There was no discussion on this item.

WEBSITE COMMUNICATION MATTERS

The Board reviewed the Communications Report, a copy of which is attached.

MAINTENANCE OF LAKES AND CHANNELS

Ms. Wells presented and reviewed the mowing report provided by NJ Services, a copy of which is attached. She then presented and discussed a proposal from NJ Services for erosion repairs to Pond 7S East and Lake 10 inlets in the total amount of \$211,500.00, a copy of which is included in the mowing report. No Board action was taken.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2023

Ms. Greenwood distributed to the Board an engagement letter from Forvis to conduct the District's audit for the fiscal year ending September 30, 2023. Following discussion, Director Perkins moved to engage Forvis to conduct the District's audit for the fiscal year ending September 30, 2023 and authorize execution of the engagement letter. Director Colihan seconded the motion, which passed by unanimous vote.

BOOKKEEPING MATTERS

Ms. Kelsey reviewed the bookkeeper's report, including the investment report and the bills submitted for payment. A copy of the bookkeeper's report is attached.

Ms. Kelsey reviewed a proposed District operating budget and joint facilities budget and discussed revisions to same.

The Board conducted its annual review of the District's Investment Policy, and Ms. Harrington stated that neither ABHR nor the bookkeeper have any recommended changes.

Ms. Harrington reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She noted that the list of qualified broker/dealers provided by the District's bookkeeper is attached as an exhibit to the Resolution.

After review and discussion, Director Perkins moved to: (1) approve the bookkeeper's report, investment report, and payment of the bills; (2) adopt the District operating and joint facilities budgets for fiscal year end September 30, 2024; (3) adopt the Resolution Regarding Annual Review of Investment Policy; and (4) adopt the Resolution Adopting a List of Authorized Depository Institutions and a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Director Mercer seconded the motion, which carried unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Flores reviewed the District's monthly tax report, a copy of which is attached, including the delinquent tax roll. She stated that 99.11% of the District's 2022 taxes had

been collected as of August 2023. She also reviewed a report from the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), a copy of which is attached to the tax report, addressed questions related to same, and stated Perdue requests authorization to terminate water service to delinquent accounts listed in the report unless their delinquent taxes are paid. Discussion ensued.

After review and discussion, Director Colihan moved to: (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) authorize Perdue to send water termination letters to eligible delinquent tax accounts. Director Mercer seconded the motion, which passed by unanimous vote.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE AMENDMENT TO INFORMATION FORM

Ms. Flores stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2023 total tax rate of \$0.935.

Ms. Harrington opened the public hearing. There being no comments from the public, Ms. Harrington closed the public hearing.

Ms. Harrington presented an Order Levying Taxes reflecting the proposed 2023 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Fort Bend County.

After review and discussion, Director Colihan moved to: (1) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.935 per \$100 of assessed valuation, comprised of \$0.585 to pay debt service on water, sewer, and drainage bonds, and \$0.35 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Perkins seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT

Mr. Browne presented and reviewed the operator's report, a copy of which is attached, and reported on routine maintenance and repair items in the District.

Mr. Browne updated the Board regarding manholes repaired and plans to repair the remaining manholes in the District.

Mr. Browne 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. Browne requested Board authorization to write off one delinquent account in the amount of \$728.10 and send it to a collection agency.

The Board discussed water capacity in the District, including MDS' plan to monitor same.

Director Ghani left the meeting.

After review and discussion, Director Colihan moved to: (1) approve the operator's report; (2) 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 records; and (3) authorize MDS to write off one delinquent account in the amount of \$728.10 and send it to a collection agency. Director Mercer seconded the motion, which passed by a vote of 4 to 0, with Director Ghani being absent from the vote.

ENGINEERING MATTERS

Mr. Swanson distributed an engineer's report, a copy of which is attached.

Mr. Swanson updated the Board regarding the Rehabilitation for Pond 7S.

Mr. Swanson updated the Board regarding construction of the Wastewater Treatment Plant ("WWTP") and reviewed and recommended approval of Pay Estimate No. 11 in the total amount of \$298,839.60, payable to R&B Group, Inc ("R&B Group"), split between the District and Fort Bend County Municipal Utility District No. 123 ("MUD 123"). He stated the District's portion is \$143,443.01.

Mr. Swanson updated the Board regarding construction of the Water Plant Expansion. The Board tabled action on awarding the contract for the project.

Director Ghani rejoined the meeting.

Mr. Swanson updated the Board regarding the Lakemont Stormwater Reuse Pump Station Rehabilitation.

Following review and discussion, Director Colihan moved, based on the engineer's recommendation, to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 11 in the amount of \$298,839.60, payable to R&B Group for construction of the WWTP. Director Perkins seconded the motion, which passed by unanimous vote.

AUTHORIZE ACCEPTANCE AND CONVEYANCE OF EASEMENTS/DEEDS/
UTILITY DEEDS, APPROVAL OF ABANDONMENT OF EASEMENT OR FACILITIES,
AND REVIEW OF PLANS

There was no discussion on this item.

TCEQ PHASE II SMALL MS4 GENERAL PERMIT AND STORM WATER
MANAGEMENT PLAN

Mr. Klump updated the Board on the District's Storm Water Management Plan ("SWMP"). He reviewed a summary of the Year 5 Goals and Training under the SWMP, a copy of which is attached. Mr. Klump then began his training session with the Board and other consultants. He stated the topic of the Year 5 Training was stormwater pollution prevention, the minimum control measures, and bacteria-specific elements. Mr. Klump explained the importance of keeping household hazardous waste, pet waste, and yard waste out of the storm sewers, to prevent adding to bacterial impairment. He then continued with the training, thoroughly explaining the sources of bacteria, and outlining the program elements of the SWMP that deal with these sources.

PARK PROJECT AND RECREATIONAL FACILITY MATTERS

There was no further discussion on this matter.

SECURITY MATTERS

The Board discussed security matters in the District.

REVIEW CONSULTANT CONTRACTS

There was no discussion on this item.

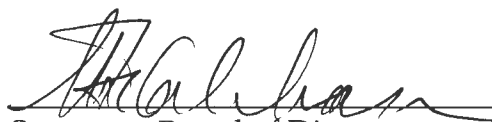
TEXAS PUBLIC INFORMATION ACT REQUESTS

There was no discussion on this item.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS
GOVERNMENT CODE

The Board did not convene in executive session.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.


Secretary, Board of Directors



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