

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 122

August 16, 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 16th day of August 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 the above were present, except Director Ghani, thus constituting a quorum.

Also present at the meeting were Corey Howell of the GMS Group, LLC (“GMS Group”); Kathy Cruthirds of Tax Tech, Inc. (“Tax Tech”); Kyle Kraus of LJA Engineering, Inc. (“LJA”); Tina Kelsey of Myrtle Cruz, Inc. (“Myrtle Cruz”); Calvin Browne of Municipal District Services, LLC (“MDS”); and Katie Sherborne 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 July 19, 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

There was no further discussion on this item.

MAINTENANCE OF LAKES AND CHANNELS

The Board reviewed the mowing report provided by NJ Services, a copy of which is attached. The Board then reviewed and discussed a proposal from NJ Services to trim

the trees near the Lake 10 fence line in the total amount of \$3,500.00. Following review and discussion, Director Perkins moved to approve the proposal in an amount not to exceed \$3,500.00. Director Nelson 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 then requested approval of check nos. 1585 payable to Director Perkins in the amount of \$408.18, 1586 payable to Director Nelson in the amount of \$408.18, and 1587 payable to Director Colihan in the amount of \$204.09, all for Director fees of office, which she noted are not included in the report.

Ms. Kelsey reviewed a proposed District operating budget and Joint Facilities budget, noting she plans to add changes received from consultants and present revised draft budgets at the next meeting for Board approval.

After review and discussion, Director Perkins moved to approve the bookkeeper’s report, investment report, and payment of the bills, including check nos. 1585-1587. Director Colihan seconded the motion, which carried unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Cruthirds reviewed the District’s monthly tax report, a copy of which is attached, including the delinquent tax roll. She stated that 98.97% of the District’s 2022 taxes had been collected as of July 2023. After review and discussion, Director Colihan moved to approve the tax assessor/collector’s report and payment of the tax bills. Director Mercer seconded the motion, which passed by unanimous vote.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District’s 2023 tax rate. Mr. Howell distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 water, sewer, and drainage debt service tax rate of \$0.585 per \$100 of assessed valuation, based on the District’s initial 2023 certified value of \$339,595,812. A copy of the debt service tax rate analysis is attached. The Board then discussed the District’s operation and maintenance tax rate. Mr. Howell discussed the two-step process for setting the District’s tax rate.

Following review and discussion, Director Perkins moved to: (1) set the public hearing date for September 20, 2023; and (2) authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the District’s meeting on September 20, 2023, to set the proposed 2023 total tax rate of \$0.935 per \$100 of assessed valuation, with \$0.585

allocated for debt service on water, sewer, and drainage bonds, and \$0.35 allocated for operations and maintenance. Director Nelson seconded the motion, which passed unanimously.

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 \$179.47 and send it to a collection agency.

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 \$179.47 and send it to a collection agency. Director Mercer seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

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

Mr. Kraus updated the Board regarding construction of the Wastewater Treatment Plant ("WWTP") and reviewed and recommended approval of Pay Estimate No. 10 in the total amount of \$518,004.00, 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 \$248,641.92.

Mr. Kraus updated the Board regarding the Water Plant Expansion.

Mr. Kraus 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. 10 in the amount of \$518,004.00, payable to R&B Group for construction of the WWTP. Director Mercer 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.

PARK PROJECT AND RECREATIONAL FACILITY MATTERS

There was no further discussion on this matter.

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

There was no discussion on this item.

DISTRICT'S INSURANCE POLICIES

The Board deferred action on this item.

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

(SEAL)



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