

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 122

August 21, 2024

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 21<sup>st</sup> day of August 2024, 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 Chris Colihan, a member of the public; Corey Howell of the GMS Group, LLC ("GMS Group"); Christy Wells of NJ Services, LLC ("NJ Services"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Mark 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 Katie Sherborne and Kia Fields of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2024 tax rate. Mr. Howell 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 \$0.52 per \$100 of assessed valuation, based on the District's initial 2024 certified value of \$361,000,000. 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 Colihan moved to: (1) set the public hearing date for September 18, 2024; and (2) authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the District's meeting on September 18, 2024, to set the proposed 2024 total tax rate of \$0.885 per \$100 of assessed valuation, with \$0.52 allocated for debt service on water, sewer, and drainage bonds, and \$0.365 allocated for

operations and maintenance. Director Perks seconded the motion, which passed unanimously.

#### RECEIVE REPORTS FROM DIRECTORS

There were no reports from Directors.

#### WEBSITE COMMUNICATION MATTERS

There was no further discussion regarding this matter.

#### BOOKKEEPING MATTERS

Ms. Garcia reviewed the bookkeeper's report, including the investment report and the bills submitted for payment. A copy of the bookkeeper's report is attached. After review and discussion, Director Perkins moved to approve the bookkeeper's report, investment report, and payment of the bills. Director Colihan seconded the motion, which carried unanimously.

#### MAINTENANCE OF LAKES AND CHANNELS

Director Colihan left the meeting.

Ms. Wells reviewed the mowing report, a copy of which is attached. She then presented a proposal to apply herbicide to remove vegetation from the lakes and channels in the total amount of \$8,587.00. Following review and discussion, Director Perkins moved to: (1) approve the mowing report; and (2) approve the proposal to apply herbicide to remove vegetation from the lakes and channels in the total amount of \$8,587.00. Director Mercer seconded the motion, which passed by unanimous vote.

#### REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2014 REFUNDING BONDS

Ms. Sherborne reviewed OmniCap Group LLC's arbitrage rebate and yield restriction calculations for the District's Series 2014 Refunding Bonds and reported that no rebate is due to the Internal Revenue Service at this time.

#### 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 98.90% of the District's 2023 taxes had been collected as of July 2024. After review and discussion, Director Nelson 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.

## APPROVE MINUTES

The Board considered approving the regular and special meeting minutes of July 17, 2024. After review and discussion, Director Perkins moved to approve the regular and special meeting minutes, as presented. Director Nelson seconded the motion, which passed by unanimous vote.

## OPERATOR'S REPORT

Director Mercer left and rejoined the meeting.

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 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 presented and reviewed a Third Amendment to Service Agreement (the "Amendment") between the District and MDS. Director Ghani reviewed and recommended increasing the labor rates. Following review and discussion, the Board concurred to defer the additional increase to next month.

After review and discussion, Director Perkins 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) approve the Amendment. Director Mercer seconded the motion, which passed by unanimous vote.

## REVIEW MAINTENANCE AND CAPITAL IMPROVEMENT PLAN

There was no discussion regarding this item.

## ENGINEERING MATTERS

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

Mr. Caraway updated the Board regarding construction of the Wastewater Treatment Plant.

Mr. Caraway updated the Board regarding construction of the Water Plant Expansion.

Mr. Caraway updated the Board regarding construction of the Lakemont Stormwater Reuse Pump Station Rehabilitation. He reviewed and requested approval of a proposal for engineering services in the total amount of \$122,000.00.

Following review and discussion, Director Nelson moved, based on the engineer's recommendation to: (1) approve the engineer's report; and (2) approve the proposal for engineering services related to the Lakemont Stormwater Reuse Pump Station Rehabilitation project in the total amount of \$122,000.00. Director Perkins seconded the motion, which passed unanimously.

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

The Board considered granting a Water Meter Easement ("Easement") to Ann Arundle Farms, Ltd. Following review and discussion Director Perkins moved to grant the Easement. Director Nelson seconded the motion, which passed unanimously.

PARK PROJECT AND RECREATIONAL FACILITY MATTERS

There was no further discussion regarding this item.

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

There was no discussion on this item.

SECURITY MATTERS

Director Perkins updated the Board regarding security matters.

REVIEW CONSULTANT CONTRACTS

There was no discussion on this item.

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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