

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 122

September 18, 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 18th day of September 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 Sherri Greenwood of Forvis Mazars, LLP (“Forvis”); Justin Klump and David Valdez of Storm Water Solutions, LLC (“Storm Water”); 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.

APPROVE MINUTES

The Board considered approving the regular and special meeting minutes of August 21, 2024. After review and discussion, Director Nelson moved to approve the regular and special meeting minutes, as presented. Director Colihan seconded the motion, which passed by unanimous vote.

RECEIVE REPORTS FROM DIRECTORS

The Board discussed recent incidents reported in the District.

WEBSITE COMMUNICATION MATTERS

The Board further discussed plans to finalize the transfer to the new website service provider.

MAINTENANCE OF LAKES AND CHANNELS

Ms. Wells reviewed the mowing report, a copy of which is attached.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2024

Ms. Greenwood distributed to the Board an engagement letter from Forvis to conduct the District's audit for the fiscal year end September 30, 2024. Following discussion, Director Colihan moved to engage Forvis to conduct the District's audit for the fiscal year end September 30, 2024 and authorize execution of the engagement letter. Director Nelson seconded the motion, which passed by unanimous vote.

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.

Ms. Garcia reviewed a revised proposed District operating and joint facilities budget.

After review and discussion, Director Colihan moved to: (1) approve the bookkeeper's report, investment report, and payment of the bills; and (2) adopt the District operating and joint facilities budget for fiscal year ending September 30, 2025. Director Mercer seconded the motion, which passed by unanimous vote.

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 99.04% of the District's 2023 taxes had been collected as of August 2024. She next reviewed a report from the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue") and stated Perdue requests authorization to terminate water service to delinquent accounts listed in the report unless their delinquent taxes are paid.

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

BOOKKEEPING MATTERS (CONTINUED)

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

Ms. Sherborne 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 Colihan moved to: (1) adopt the Resolution Regarding Annual Review of Investment Policy; and (2) 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 Nelson seconded the motion, which carried unanimously.

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 2024 total tax rate of \$0.885.

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

Ms. Sherborne presented an Order Levying Taxes reflecting the proposed 2024 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 Perkins moved to: (1) adopt the Order Levying Taxes reflecting a total 2024 tax rate of \$0.885 per \$100 of assessed valuation, comprised of \$0.52 to pay debt service on water, sewer, and drainage bonds, and \$0.365 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 Nelson 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 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 revised Fourth Amendment to Service Agreement (the "Amendment") between the District and MDS reflecting an increase in labor rates, noting he plans to follow the decision by Fort Bend County Municipal Utility District No. 123 ("MUD 123") to reject the Amendment.

After review and discussion, Director Colihan moved to: (1) approve the operator's report; and (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. Director Mercer seconded the motion, which passed by unanimous vote.

Ms. Sherborne updated the Board regarding plans to revise the District's Rate Order to increase the rate for irrigation connections, including MUD 123's plan to have the District's operator gather additional information and report back to the Board at the next Board meeting. Following discussion, the Board concurred with MUD 123's decision.

REVIEW MAINTENANCE AND CAPITAL IMPROVEMENT PLAN

The Board discussed plans to revise the CIP.

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 and reviewed and recommended approval of Pay Estimate Nos. 18-19 in the total respective amounts of \$126,350.00 and \$90,982.69, both payable to R&B Group, Inc. ("R&B Group"), split between the District and MUD 123. He stated the District's portions are \$60,648.00 and \$43,671.69 respectively.

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.

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 Nos. 18-19 in the respective amounts of \$126,350.00 and \$90,982.69, both payable to R&B Group for construction of the Wastewater Treatment Plant. Director Mercer 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

There was no discussion on this item.

ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS
COMMISSION ON ENVIRONMENTAL QUALITY FOR USE OF SURPLUS FUNDS

The Board reviewed a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Use of Surplus Funds and Change in Project Scope (the "Resolution"). Following review and discussion, Director Perkins moved to adopt the Resolution. Director Mercer seconded the motion, which passed by a unanimous vote.

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, INCLUDING STATUS OF COMPLIANCE, NECESSARY
TRAINING, PUBLIC COMMENT, AND PROPOSAL FOR NEW PERMIT TERM

Mr. Klump updated the Board on the status of the District's current storm water management program ("SWMP"). He distributed a handout that included a summary of the Year Five goals and training for the SWMP, a copy of which is attached.

Mr. Klump next presented and reviewed a proposal from Storm Water for services provided under the SWMP for the new permit term in the total amount of \$30,000.00. Following review and discussion, Director Colihan moved to approve the proposal for SWMP services in the amount of \$30,000.00. Director Perkins seconded the motion, which carried unanimously.

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



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Mowing report.....	2
Bookkeeper's report.....	2
Tax Assessor-Collector's report	2
Operator's report.....	3
Engineer's report.....	4
Year Five goals and training for the SWMP	5