

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122
Minutes of Meeting of Special Board of Directors
December 17, 2021

The Board of Directors ("Board") of Harris County Municipal Utility District No. 122 ("District") met in special session at the Board's regular meeting place on December 17, 2021, in accordance with the duly posted notice of public meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Joycelyn Reese, President
Ronald F. Bennett, Vice-President
James H. Ragan, Jr., Secretary
John Hoxie, Assistant Secretary
John R. Marshall, Assistant Secretary

all of said persons were present, except Director Hoxie, thus constituting a quorum.

Also present were: Brian Krueger of BKD, LLP ("BKD"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Sabrina Alaquinez of Inframark, LLC ("Inframark"); Rose Montalbano of Municipal Financial Services, LLC ("MFS") on behalf of Municipal Accounts & Consulting, L.P. ("MA&C"); Madison Barrington and Rebecca Watkins of Jones & Carter, Inc. ("J&C"); Joyce Bennett and Mary Alvarado, members of the public; and Abraham Rubinsky and Kristi Tran-Chin of Schwartz, Page & Harding, L.L.P. ("SPH"). Ms. Alvarado entered the meeting later as noted herein.

The President called the meeting to order and declared it open for such business as might regularly come before it.

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.

APPROVAL OF MINUTES

The Board considered the review and approval of the minutes of its special meeting held on November 30, 2021. After review and discussion, Director Marshall moved that the minutes of the Board's special meeting held on November 30, 2021, be approved, as written. Director Ragan seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Montalbano presented to and reviewed with the Board the Bookkeeper's Report dated December 17, 2021, a copy of which attached hereto as **Exhibit A**, including the disbursements presented for payment therein. After discussion, it was moved by Director Ragan

that the Bookkeeper's Report be approved and the disbursements listed therein be approved for payment, except check no. 9544, which was voided. Director Marshall seconded said motion, which unanimously carried.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Rodriguez presented to and reviewed with the Board the Tax Assessor/Collector's Report for the period ended November 30, 2021, which is attached hereto as **Exhibit B**, including the disbursements presented for payment from the Tax Account. After discussion, Director Marshall moved that the Tax Assessor/Collector's Report be approved and that the disbursements identified in said report be approved for payment from the Tax Account. Director Bennett seconded said motion, which unanimously carried.

REPORT AND LEGAL ACTION TAKEN BY THE DISTRICT'S DELINQUENT TAX COLLECTIONS ATTORNEY

Mr. Rubinsky presented to and reviewed with the Board a Delinquent Tax Report received from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("PBFCM"), the District's Delinquent Tax Collections Attorneys, dated December 15, 2021, a copy of which is attached hereto as **Exhibit C**. The Board concurred that no action was required on its part relative to said matter at this time.

REVIEW AND APPROVAL OF AUDIT FOR FISCAL YEAR ENDED AUGUST 31, 2021

The Board next considered the review and approval of the District's audit report for the fiscal year ended August 31, 2021, which had been prepared by BKD. In connection therewith, Mr. Krueger presented a draft of the audit report, a copy of which is attached hereto as **Exhibit D**, and reviewed it in detail with the Board. Mr. Krueger advised the Board that BKD would be issuing an unmodified audit opinion in connection with the subject audit. After discussion concerning the audit presented, Director Ragan moved that (i) the audit report for the fiscal year ending August 31, 2021, be approved, subject to final review of same by SPH, (ii) that the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and District, and (iii) that such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ"). Director Bennett seconded said motion, which unanimously carried.

OPERATIONS AND MAINTENANCE REPORT

Ms. Alaquinez presented to and reviewed with the Board the Operations and Maintenance Report for the month of November 2021, a copy of which is attached hereto as **Exhibit E**, and discussed with the Board the various matters contained therein.

Mr. Rubinsky updated the Board regarding communications with the customer at 16511 Mahogany Drive regarding the Notice of Violation of the District's Rate Order issued by correspondence from SPH dated October 26, 2021. It was noted that the estimate for the removal of the cement laid over the District's 8" utility easement is approximately \$4,600, and that the

customer will be subject to total costs in excess of \$8,000 if the District is forced to enter upon the property to remove such concrete itself. Mr. Rubinsky then advised that SPH has been in communication with the customer regarding same, and that the customer has indicated that she plans to attend today's Board meeting.

Ms. Alaqueinez then reported that Inframark received a request from a District customer, requesting that the Board consider authorizing a six-month payment plan for her water bill, which totals over \$900.00 due to the billing of 107,000 gallons of water. After discussion on the matter, it was moved by Director Ragan to authorize and direct Inframark to offer a 6-month payment plan to the customer, as requested, on the condition that the customer stays current on her water bill. Director Marshall seconded said motion, which unanimously carried.

Ms. Alaqueinez next reviewed the list of delinquent accounts for the prior month. She then inquired whether the Board would be amendable to delaying water terminations until after the Christmas holidays. Following discussion, Director Ragan moved that the termination date for the current billing cycle be rescheduled to December 28, 2021. Director Marshall seconded said motion, which unanimously carried.

Ms. Alvarado entered during the above discussion.

DISCUSSION REGARDING CITY OF MISSOURI MATTERS

The Board noted that no representatives of the City of Missouri City was in attendance at today's Board meeting.

ENGINEERING REPORT

Ms. Watkins presented to and reviewed with the Board a written Engineering Report dated December 15, 2021, a copy of which is attached hereto as **Exhibit F**, relative to the status of various engineering and construction projects within the District, and responded to several questions from the Board regarding ongoing projects.

Ms. Watkins updated the Board regarding the status of the proposed Wastewater Treatment Plant ("WWTP") Improvements and presented J&C's Final Estimate of the Construction Costs for said project, which totals \$183,000. She then reported that J&C will advertise for bids for the construction of WWTP Improvements on January 10, 2022, and will present a recommendation of award of contract for same at next month's meeting.

A discussion ensued regarding the status of City Park development. In connection therewith, Director Ragan inquired regarding the status of the proposed screening between the buildings on the City Park development and the subdivision within the District, which was previously discussed. Director Ragan also noted that the City Park Detention Pond is in really bad shape and needs to be maintained as soon as possible, and that there is a large amount of dirt stockpiled on-site at the City Park development site, and that such dirt pile poses a risk of diverting stormwater into the District if it is not moved. Ms. Barrington noted that J&C will

communicate the Board's concerns to Logistics Property Company, the developer of the City Park project.

DEVELOPER'S REPORT

The Board deferred consideration of the developer's report, as no representative of any developer within the District was present at the meeting.

REQUESTS FOR UTILITY COMMITMENTS

The Board deferred consideration of the issuance of utility commitments after noting that no formal requests for same had been received during the previous month.

NOTICE OF VIOLATION OF RATE ORDER

The Board next recognized Ms. Alvarado, who resides at 16511 Mahogany Drive within the District. Mr. Rubinsky then provided a brief summary of the Board's understanding of the events regarding the concrete laid over the District's 8" utility easement in the backyard of the property located at 16511 Mahogany Drive, and advised that SPH had directed correspondence to Ms. Alvarado on October 26, 2021, notifying her of the violation of the District's Rate Order due to the unauthorized encroachment upon the District's easement. He further advised the Board that he had spoken with Ms. Alvarado and her husband by telephone last night to ensure that they understood the serious nature of the violation and the potential consequences if they did not remove the unauthorized encroachment. Ms. Alvarado requested that the Board authorize an additional 30-days for said concrete to be removed. Thereafter, Director Ragan moved that Ms. Alvarado be given until January 31, 2022 to remove the concrete that is laid over the District's 8" utility easement. Director Reese seconded said motion, which unanimously carried. Ms. Alvarado then requested a map that reflected the locations in which the cement will need to be removed.

Ms. Alvarado thanked the Board and exited the meeting at this time.

ATTORNEY'S REPORT

The Board considered the attorney's report. Mr. Rubinsky advised he had nothing further to discuss with the Board of a legal nature which was not covered elsewhere on the agenda.

CLOSED SESSION

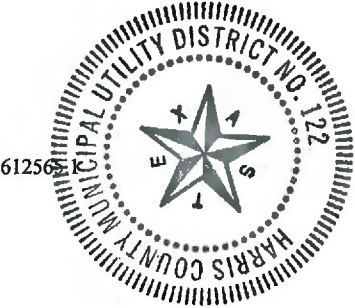
The Board determined it would not be necessary to enter into Closed Session at this time.

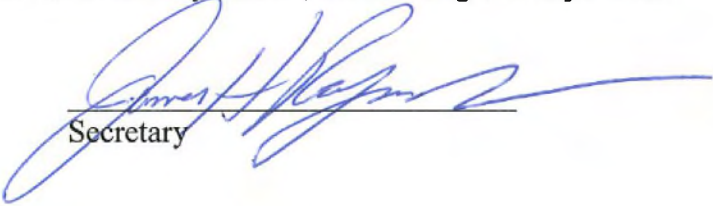
FUTURE AGENDA ITEMS

The Board considered items for placement on a future agenda. The Board requested that Inframark schedule an inspection at 16511 Mahogany Drive on February 1, 2022, to determine whether the unauthorized encroachment upon the District's easement has been removed.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Marshall, seconded by Director Reese and unanimously carried, the meeting was adjourned.




Secretary

List of Attachments to Minutes

- Exhibit A – Bookkeeper's Report
- Exhibit B – Tax Assessor-Collector's Report
- Exhibit C – Delinquent Tax Report
- Exhibit D – Draft Audit Report for FYE 08/31/2021
- Exhibit E – Operations and Maintenance Report
- Exhibit F – Engineering Report