

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122
Minutes of Meeting of Board of Directors
September 28, 2022

The Board of Directors ("Board") of Harris County Municipal Utility District No. 122 ("District") met in regular session at the Board's regular meeting place on September 28, 2022, 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, thus constituting a quorum.

Also present were: John Howell of The GMS Group ("GMS"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Sabrina Alaquez of Inframark, LLC ("Inframark"); Rahi Patel of Municipal Accounts & Consulting, L.P. ("MA&C"); Robert Dazey and Madison Barrington of Quiddity Engineering LLC ("Quiddity"); Joyce Bennett, a member of the public; and Abraham Rubinsky, Katie Blasio and Kristi Tran-Chin of Schwartz, Page & Harding, L.L.P. ("SPH").

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 meeting held on August 24, 2022. After discussion, Director Marshall moved that the minutes of the Board's meeting held on August 24, 2022, be approved, as written. Director Ragan seconded said motion, which unanimously carried.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2022 TAX RATE

The Board considered the Financial Advisor's recommendation concerning the District's proposed 2022 tax rate. Mr. Rubinsky advised the Board that, pursuant to the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr.

Rubinsky further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

Mr. Howell then presented to and reviewed with the Board a 2022 Tax Rate Setting Points for Discussion prepared by GMS for the District, a copy of which is attached hereto as **Exhibit A**, and discussed same in detail with the Board. He discussed GMS' recommendation regarding the proposed 2022 debt service tax rate and maintenance tax rate with the Board, and advised that GMS is recommending a proposed 2022 debt service tax rate of \$0.09 per \$100 of assessed valuation and a proposed 2022 maintenance tax rate of \$0.46 per \$100 of assessed valuation. After further discussion on the matter, Director Marshall moved that the Board indicate its intention to set a 2022 debt service tax rate of \$0.09 per \$100 of assessed valuation and a 2022 maintenance tax rate of \$0.478 per \$100 of assessed valuation, resulting in a combined 2022 tax rate of \$0.568 per \$100 of assessed valuation, and that the District's Tax Assessor-Collector be authorized to publish notice of the District's intention to adopt a 2022 tax rate at its next meeting in the *Fort Bend Independent* in the form and as required by law. Director Hoxie seconded said motion which unanimously carried.

Mr. Howell exited the meeting at this time.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Rodriguez presented to and reviewed with the Board the Tax Assessor/Collector's Report for the period ended August 31, 2022, which is attached hereto as **Exhibit B**, including the disbursements presented for payment from the Tax Account. After discussion, Director Ragan moved that the Tax Assessor/Collector's Report be approved and the disbursements identified in said report be approved for payment from the Tax Account. Director Marshall 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 September 28, 2022, a copy of which is attached hereto as **Exhibit C**. After discussion regarding the Report, Director Reese moved that the Board authorize PBFCM to send water termination letters and for BLI to coordinate with PBFCM and Inframark regarding the termination of water service to the six (6) customers with delinquent tax accounts reflected on said Report. Director Ragan seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Patel presented to and reviewed with the Board the Bookkeeper's Report dated September 28, 2022, a copy of which attached hereto as **Exhibit D**, including the disbursements presented for payment therein. After discussion, it was moved by Director Marshall that the Bookkeeper's Report be approved and the disbursements listed therein be approved for payment, including check nos. 9718 and 9724. Director Bennett seconded said motion, which unanimously carried. Director Reese advised that she and Director Marshall attended a special meeting with Colony Crossing Homeowners Association's ("HOA") on September 20, 2022, and requested a per diem for same. Mr. Rubinsky also suggested that MA&C consider updating the five year forecast included in its reports to adjust for decrease in certified value due to protests.

OPERATIONS AND MAINTENANCE REPORT

Ms. Alaquinez presented to and reviewed with the Board the Operations and Maintenance Report for the month of August 2022, a copy of which is attached hereto as **Exhibit E**, and discussed with the Board the various matters contained therein.

Ms. Alaquinez updated the Board regarding Frontier Communications' ("Frontier") performance of underground work within the District and advised that Inframark is hoping to receive payment for damages caused by Frontier for certain District facilities soon.

Ms. Alaquinez then advised the Board that the District received a request from Logistics Property Company ("LPC") for reimbursement of \$45,000 for damages that was allegedly caused by a backup in the District's line. Ms. Alaquinez noted that Inframark has jetted the line and was unable to identify any blockage. She then requested authorization for Inframark to televise said lines at a cost of \$6,600 to help identify any blockage. After discussion on the matter, upon a motion by Director Reese, seconded by Director Hoxie and carried by a vote of four (4) in favor, and Director Ragan opposed, the Board moved that Inframark be authorized to televise the District lines at a cost of \$6,600.

Ms. Alaquinez next reviewed with the Board the delinquent accounts for the prior month. After discussion, Director Ragan requested that Inframark lock and pull the water meter on account nos. 122-00187-10, 122-00167-13 and 122-00328-03 if said accounts remain unpaid. Ms. Alaquinez noted Inframark would do so.

DISCUSSION REGARDING CITY OF MISSOURI MATTERS

The Board noted that no representative of the City of Missouri City (the "City") was in attendance at today's Board meeting. A discussion ensued regarding the landscaping contract and/or agreement with the City's Parks Department. Following discussion, Director Marshall authorized SPH to contact the City's Parks Department to investigate and try to locate such agreement and/or contract and understand the terms of such agreement and/or contract and responsibility for maintenance. Director Reese seconded said motion, which carried unanimously.

ENGINEERING REPORT

Mr. Dazey presented to and reviewed with the Board a written Engineering Report dated September 28, 2022, a copy of which is attached hereto as **Exhibit F**, relative to the status of engineering and construction projects within the District, and responded to several questions from the Board regarding ongoing projects.

Mr. Dazey presented Pay Estimate No. 2 for the Wastewater Treatment Plant Improvements (the "Improvements") project in the amount of \$87,745 and Change Order No. 1 in the credit amount of \$300 from T&G Services ("T&G"), and recommended that the Board concur in the payment of same. He also advised the Board that the specific weir box dimensions did not fit the existing location and had to be modified for \$1,000. After discussion, Director Marshall moved that the Board approve Pay Estimate No. 2 in the amount of \$87,745 to T&G, Change Order No. 1 in the credit amount of \$300 to the District, and \$1,000 fee for the modification of said weir box, as recommended by the District engineer. Director Ragan seconded said motion, which unanimously carried.

Mr. Dazey next presented Pay Estimate No. 1 for the Wastewater Treatment Plant Access Road (the "Access Road") project in the amount of \$11,835 and Change Order No. 1 to increase the contract amount by \$8,720 from Division III Constructors Inc. ("Division III"), and recommended that the Board concur in the payment of same. After discussion, Director Marshall moved that the Board approve Pay Estimate No. 1 in the amount of \$11,835 and Change Order No. 1 to increase the contract amount by \$8,720, from Division III, as recommended by the District engineer. Director Ragan seconded said motion, which unanimously carried.

Mr. Dazey updated the Board regarding City Park Development, and advised the Board that the feasibility study related to LPC's request for additional water and sewer capacity to serve said project has been completed, and that Quiddity determined that LPC's request for additional water and sewer capacity was not feasible and would put the District at its maximum capacity. The Board concurred with Quiddity's determination, and Mr. Dazey advised he would communicate same to LPC.

Mr. Rubinsky exited the meeting at this time.

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 additional formal requests for same had been received during the previous month.

DISCUSSION REGARDING REQUEST FROM COLONY CROSSING HOMEOWNERS ASSOCIATION ("HOA")

A discussion ensued regarding the request of the HOA that the District consider contributing annually to the HOA \$234,000 for additional law enforcement officers and the purchase and installation of Flock Safety cameras in the Colony Crossing Subdivision. Director Reese advised the Board that she and Director Marshall attended a special meeting with the HOA on September 20, 2022, and the HOA's legal counsel was present at said meeting. After an extensive discussion regarding the HOA's request, it was noted that the HOA does not have a security agreement with the City, nor any funds necessary to provide security for Colony Crossing Subdivision, and as such, any security measures within the community will need to be funded by the District. It was also noted that any communications between the District and the HOA moving forward is to be communicated with the HOA directly and not its representatives. After further discussion on the matter, the Board requested that SPH reach out to Harris County Sheriff's Office and Harris County Constable's Office to inquire regarding current rates and percentage of security coverage.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Ms. Blasio advised she had nothing further to discuss with the Board of a legal nature which was not covered elsewhere on the agenda.

CLOSED SESSION

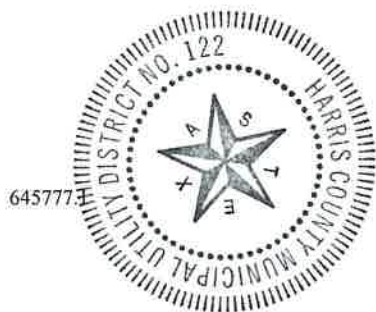
The Board determined it would not be necessary to enter into Closed Session at this time.

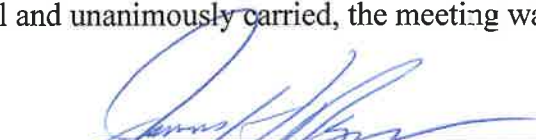
FUTURE AGENDA ITEMS

The Board considered items for placement on a future agenda. No specific agenda items, other than routine and ongoing matters were requested.

ADJOURNMENT

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




Secretary

List of Attachments to Minutes

- Exhibit A – 2022 Tax Rate Setting Points
- Exhibit B – Tax Assessor-Collector's Report
- Exhibit C – Delinquent Tax Report
- Exhibit D – Bookkeeper's Report
- Exhibit E – Operations and Maintenance Report
- Exhibit F – Engineering Report