

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122
Minutes of Special Meeting of Board of Directors
November 30, 2022

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 November 30, 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, except Directors Ragan and Hoxie, thus constituting a quorum.

Also present were: 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 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 October 26, 2022. After discussion, Director Marshall moved that the minutes of the Board's meeting held on October 26, 2022, be approved, as written. Director Bennett 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 October 31, 2022, which is attached hereto as **Exhibit A**, including the disbursements presented for payment from the Tax Account. After discussion, Director Bennett 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

Ms. Blasio 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 November 30, 2022, a copy of which is attached hereto as **Exhibit B**. Ms. Blasio advised that no action was required relative to said report at this time.

BOOKKEEPER'S REPORT

Mr. Patel presented to and reviewed with the Board the Bookkeeper's Report dated November 30, 2022, a copy of which attached hereto as **Exhibit C**, 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, except check nos. 9751 and 9752, which were voided. Director Bennett seconded said motion, which unanimously carried.

A discussion ensued regarding the monthly fee being paid by the District to the City of Houston (the "City"). It was noted that said fee is the minimum monthly charge due to the City in connection with the District's meter for the emergency water interconnect with the City.

OPERATIONS AND MAINTENANCE REPORT

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

In connection with the damages to District facilities caused by J&E Utilities while performing work in the District on behalf of Frontier Communications, it was noted that payment in full, in the amount of \$25,698.30, has been received from J&E Utilities. No further action was required by the Board at this time.

DISCUSSION REGARDING CENTRAL BANK ELECTRONIC LOCK BOX PROGRAM

The Board deferred discussion regarding the implementation of the new Central Bank Electronic Lock Box Program at this time.

DISCUSSION REGARDING CITY OF MISSOURI MATTERS

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

ENGINEERING REPORT

Mr. Dazey presented to and reviewed with the Board a written Engineering Report dated November 30, 2022, a copy of which is attached hereto as **Exhibit E**, 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. 4 and Final for the Wastewater Treatment Plant Improvements (the "Improvements") project in the amount of \$21,787.50, Change Order No. 2 to reduce the amount of the contract by \$14,125.00, and the Certificate of Acceptance from T&G Services ("T&G"), and recommended Board approval of same. After discussion, Director Reese moved that the Board approve Pay Estimate No. 4 and Final in the amount of \$21,787.50 to T&G, Change Order No. 2 in the credit amount of \$14,125.00, and the Certificate of Acceptance, as recommended by the District's Engineer. Director Bennett seconded said motion, which unanimously carried.

In connection with the Wastewater Treatment Access Road (the "Access Road" project), Mr. Dazey advised that Division III Constructors Inc. ("Division III") discovered an abandoned 12" corrugated metal drainage pipe. He advised that Division III provided a quote in the amount of \$900.00 to remove the abandoned drainage pipe and to backfill the area. After discussion, Director Reese moved to approve Division III's proposal to remove the abandoned 12" metal pipe and to backfill the area, as discussed, in the amount of \$900.00. Director Bennett seconded said motion, which unanimously carried.

Mr. Dazey next discussed the status of the District's Joint Stormwater Management Program ("SWMP"). In that regard, he reviewed with the Board the City of Missouri City's MS4 Annual Report, and requested authorization for approval to submit same. After discussion, Director Reese moved that the MS4 Annual Report be approved, and that the President be authorized to execute the same on behalf of the Board and the District. Director Bennett seconded said motion, which carried unanimously.

SIXTH AMENDMENT TO WHOLESALE WATER SERVICE AGREEMENT

Ms. Blasio presented to and reviewed with the Board a proposed Sixth Amendment to Wholesale Water Service Agreement ("Sixth Amendment") by and between the District and Fort Bend Water Control & Improvement District No. 2 ("WCID No. 2"), a copy of which is attached hereto as **Exhibit F**. After discussion on the matter, Director Reese moved that the Sixth Amendment be approved, subject to review and final comments and/or approval by SPH. Director Bennett seconded said motion, which unanimously carried.

In connection with the Sixth Amendment, the Board considered an amendment to the District's Rate Order relative to an increase in the Groundwater Reduction Plan ("GRP") Fee imposed by WCID No. 2. After further discussion on the matter, Director Reese moved that the District's Rate Order be amended to increase the Groundwater Reduction Plan Fee charged by the District to its customers from \$1.46 to \$1.80 for each 1,000 gallons of water billed to each Customer of the District, to be effective as of February 1, 2023, and that any and all rate orders

heretofore adopted by the Board be revoked and that the Rate Order attached hereto as **Exhibit G**, be passed and adopted. Director Bennett seconded said motion which unanimously carried.

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 SECURITY ENHANCEMENTS AND ADDITIONAL LAW ENFORCEMENT SERVICES

In connection with security enhancements and additional law enforcement services within the District, Ms. Blasio advised that, per the Board's request, SPH has directed correspondence to the Colony Crossing HOA advising that (i) the District is declining the HOA's request for a contribution of \$234,000 annually, (ii) the District requests data on the reported uptick in crime, and (iii) the District is considering a contract for law enforcement services but the District would be the contracting party to said contract.

EMINENT DOMAIN REPORT

Ms. Blasio reminded the Board that, pursuant to Section 2206.154 of the Texas Government Code, political subdivisions with the power of eminent domain, including the District, are required to file an annual eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). Ms. Blasio explained that the report will contain the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. After discussion, it was moved by Director Marshall, seconded by Director Reese, and unanimously carried that SPH be authorized to file the annual eminent domain report with the Comptroller on behalf of the District by February 1, 2023.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Ms. Blasio presented and reviewed with the Board correspondence received from City Park I, LP, a copy of which is attached hereto as **Exhibit H**, demanding payment of \$44,079.84 for damages allegedly caused by a sewer blockage in the District's system on or about August 29, 2022. In connection therewith, Ms. Alaquez presented to and reviewed with the Board a timeline regarding the events that occurred relative to communications relating to the sanitary sewer backup, a copy of which is included with **Exhibit H**. After discussion on the matter, it was moved by Director Reese, seconded by Director Marshall and unanimously carried, that SPH be authorized to notify and submit said demand to the District's insurance agent, Arthur J. Gallagher ("Gallagher"), for

further handling. The Board also requested that Gallagher keep the District updated regarding same.

Ms. Blasio reminded the Board that the next meeting has been rescheduled to December 16, 2022 at 11:00 a.m. due to the Christmas holidays.

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 Marshall, seconded by Director Reese and unanimously carried, the meeting was adjourned.




Secretary

List of Attachments to Minutes

- Exhibit A – Tax Assessor-Collector's Report
- Exhibit B – Delinquent Tax Report
- Exhibit C – Bookkeeper's Report
- Exhibit D – Operations and Maintenance Report
- Exhibit E – Engineering Report
- Exhibit F – Sixth Amendment to Wholesale Water Service Agreement
- Exhibit G – Rate Order
- Exhibit H – Correspondence from Logistics Property Company, LLC