

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122  
Minutes of Meeting of Board of Directors  
October 26, 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 October 26, 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: Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Clay Brandenburg of Inframark, LLC ("Inframark"); Rahi Patel of Municipal Accounts & Consulting, L.P. ("MA&C"); Madison Barrington and Shane Keasler 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"). Mr. Rubinsky entered 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 meeting held on September 28, 2022. After discussion, Director Marshall moved that the minutes of the Board's meeting held on September 28, 2022, be approved, as written. Director Reese seconded said motion, which unanimously carried.

### **REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER**

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Investment Policy"), and the adoption of a resolution in connection therewith. Ms. Blasio presented for the Board's review an amended

Investment Policy and a Resolution Regarding Review of the Investment Policy (the "Resolution"), which are attached hereto as **Exhibit A** and advised the Board of the revisions to the Investment Policy being recommended by SPH. After discussion on the matter, Director Marshall moved that the amended Investment Policy be approved, that the Board adopt the Resolution, and that the President and Secretary be authorized to execute the amended Investment Policy and the Resolution on behalf of the Board and the District. Director Ragan 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 September 30, 2022, which is attached hereto as **Exhibit B**, including the disbursements presented for payment from the Tax Account. After discussion, Director Hoxie 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 Bennett 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 October 26, 2022, a copy of which is attached hereto as **Exhibit C**.

A discussion ensued regarding the termination of water service to four (4) customers listed in the report for non-payment of delinquent taxes owed to the District. Ms. Blasio advised that PBFCM sent water termination letters to these customers last month notifying them that they would have until today to pay their delinquent accounts or make other arrangements with the District, and that said customers failed to respond. Following discussion on the matter, the Board concurred to authorize PBFCM to coordinate with Inframark to proceed with the termination of water services for the non-payment of delinquent taxes to all of said customers, in accordance with the provisions of the District's Rate Order and PBFCM's previous communications with said customers.

### **PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2022 TAX RATE**

The Board next conducted a public hearing regarding the levying of a proposed debt service tax rate and a maintenance tax rate for 2022. Ms. Rodriguez confirmed that the required notice had been published in *Fort Bend Independent*, in accordance with all legal requirements and as directed by the Board at its last meeting, a copy of which Notice and Publisher's Affidavit is attached hereto as **Exhibit D**. It was noted that no comments were offered regarding the public hearing. Upon motion made by Director Ragan, seconded by Director Marshall and unanimously carried, the hearing was closed.

## **LEVY OF THE DISTRICT'S 2022 TAX RATE**

The Board next discussed the levying of the 2022 tax rate. After discussion on the matter, Director Ragan moved that (i) the Board adopt the tax rate being a 2022 debt service tax rate of \$0.09 per \$100 of valuation and a 2022 maintenance tax rate of \$0.478 per \$100 of valuation, resulting in a total 2022 tax rate of \$0.568 per \$100 of valuation; (ii) the Order Levying Taxes attached hereto as **Exhibit E** be adopted in connection therewith; and (iii) the President be authorized to execute and the Secretary to attest said Order on behalf of the Board and the District. Director Marshall seconded said motion, which carried unanimously.

## **AMENDMENT TO DISTRICT INFORMATION FORM**

Ms. Blasio presented and discussed with the Board an Amendment to the District's Amended and Restated District Information Form ("DIF") in connection with the levy of the District's 2022 tax rate. After discussion regarding the Amendment to the DIF, Director Ragan moved that the amended DIF be approved, and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Bennett seconded said motion, which carried unanimously.

## **BOOKKEEPER'S REPORT**

Mr. Patel presented to and reviewed with the Board the Bookkeeper's Report dated October 26, 2022, a copy of which attached hereto as **Exhibit F**, 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. Director Bennett seconded said motion, which unanimously carried.

Mr. Patel presented to and reviewed with the Board a Quarterly Investment Inventory Report, which Report had been prepared by MA&C for the reporting period ended August 31, 2022. A copy of the Report is attached to the Bookkeeper's Report. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Ragan, seconded by Director Bennett and unanimously carried, said Quarterly Investment Inventory Report was approved and the District's Investment Officer was authorized to execute same on behalf of the Board and the District.

## **STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING**

The Board considered the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Ms. Blasio advised the Board that governmental entities, including the District, are required to prepare an annual report on the entities' metered usage of electricity and the aggregate costs for same. Mr. Patel then noted that Acclaim Energy has provided an annual report, a copy of which is attached to the Bookkeeper's Report, summarizing the District's electricity usage and costs. Ms. Blasio advised that no further action was necessary to achieve compliance at this time.

## **OPERATIONS AND MAINTENANCE REPORT**

Mr. Brandenburg presented to and reviewed with the Board the Operations and Maintenance Report for the month of September 2022, a copy of which is attached hereto as **Exhibit G**, and discussed with the Board the various matters contained therein.

Mr. Brandenburg then reported that Inframark received a request from a District customer, requesting that the Board consider authorizing a six-month payment plan for their water bill, due to a water line water break that has since been repaired. 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. Director Bennett seconded said motion, which unanimously carried.

Mr. Brandenburg 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 no. 122-00333-10 if said account remains unpaid. Mr. Brandenburg noted Inframark would do so.

Mr. Brandenburg next discussed the Texas Utility Help Program. Ms. Blasio advised that said program is intended to assist certain customers with water bill payments. A copy of the program related materials is attached hereto as **Exhibit H**. After further discussion on the matter and the potential obligations placed on the District and Inframark by participating in the program, the Board declined to participate in said program at this time.

## **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.

## **ENGINEERING REPORT**

Ms. Barrington presented to and reviewed with the Board a written Engineering Report dated October 26, 2022, a copy of which is attached hereto as **Exhibit I**, relative to the status of engineering and construction projects within the District, and responded to several questions from the Board regarding ongoing projects.

Ms. Barrington presented Pay Estimate No. 3 from T&G Services ("T&G") for the Wastewater Treatment Plant Improvements (the "Improvements") project in the amount of \$14,265, and recommended that the Board approve the payment of same. After discussion, Director Marshall moved that the Board approve Pay Estimate No. 3 in the amount of \$14,265 and the Certificate of Substantial Completion related thereto, as recommended by the District's Engineer. Director Hoxie seconded said motion, which unanimously carried.

It was noted that it appears Comcast Corporation ("Comcast") ran some wires across the road along Fondren, within the District. As such, the Board requested Quiddity follow-up with



Comcast regarding any projects or improvements that are proposed within the boundaries of the District.

In connection with City Park Development, it was noted that the City Park Detention Pond is not being maintained on a regular basis. It was also noted that the Board had some concerns regarding the access road to the District's WWTP. After further discussion, the Board requested that Quiddity request the grading plans from CityPark Logistics Center in connection with the access road.

Mr. Rubinsky entered during the above discussion.

### **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 SPH has reached out to Harris County Sheriff's Office ("HCSO") and Harris County Constable's Office ("HCCO") regarding potential security services for the District, and is awaiting responses to same. A discussion ensued regarding Colony Crossing Homeowners Association's ("HOA") request 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. It was noted that the District is not interested in contributing said funds as requested by the HOA, but that the District is exploring additional law enforcement services within the District. After further discussion, Director Marshall moved that SPH be authorized to direct correspondence to the 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 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. Director Ragan seconded said motion, which unanimously carried. Director Reese requested a draft of said correspondence be sent to her for review before it is sent.

### **ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. The Board discussed rescheduling the Board of Directors' November and December Board meetings, as the regularly scheduled November meeting falls on the day before Thanksgiving and the regularly scheduled December meeting falls during the week of Christmas. After discussion, the Board decided to reschedule

its November meeting to November 30, 2022, at 11:00 a.m., and to hold its December Board meeting on December 16, 2022, at 11:00 a.m.

**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 Hoxie and unanimously carried, the meeting was adjourned.

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Secretary

List of Attachments to Minutes

- Exhibit A – Order Establishing Policy for Investment of District Funds and Appointing Investment Officer; Resolution regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit B – Tax Assessor-Collector's Report
- Exhibit C – Delinquent Tax Report
- Exhibit D – 2022 Tax Rate Publication
- Exhibit E – Order Levying Taxes
- Exhibit F – Bookkeeper's Report
- Exhibit G – Operations and Maintenance Report
- Exhibit H – Handout regarding Texas Utility Help Program
- Exhibit I – Engineering Report