

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122

Minutes of Meeting of Board of Directors

February 22, 2023

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 February 22, 2023, 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 Barnes 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"); 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 and Charlotte Griffiths 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 January 25, 2023. After discussion, Director Marshall moved that the minutes of the Board's meeting held on January 25, 2023, be approved, as written. Director Ragan seconded said motion, which unanimously carried.

STATUS OF CONTINUING DISCLOSURE REPORT

The Board discussed the status of the District's annual continuing disclosure report due February 28, 2023. In connection therewith, Mr. Rubinsky advised the Board that the final audit report for the District's fiscal year ended August 31, 2022 has been provided to Coats Rose, P.C., Continuing Disclosure Counsel to the District, who will file the continuing disclosure report with the appropriate entities by the February 28, 2023 deadline.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Rodriguez presented to and reviewed with the Board the Tax Assessor/Collector's Report for the period ended January 31, 2023, which is attached hereto as **Exhibit A**, 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 Bennett seconded said motion, which unanimously carried.

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

Mr. Rubinsky noted that Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("PBFCM"), the District's Delinquent Tax Collections Attorneys, did not provide a Delinquent Tax Report for review at this meeting.

RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2023 TAX YEAR

Mr. Rubinsky advised that the procedures applicable to the adoption of the District's tax rate in 2023 will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Rubinsky then reviewed with the Board a worksheet completed by Quiddity to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2023 Tax Year. Following discussion, the Board determined that the District should be considered a "Developed District" for the 2023 Tax Year and, upon motion made by Director Marshall, seconded by Director Bennett, and unanimously carried, the Board voted to pass and adopt the Resolution Concerning Developed District Status for 2023 Tax Year, attached hereto as **Exhibit B**.

BOOKKEEPER'S REPORT

Mr. Patel presented to and reviewed with the Board the Bookkeeper's Report dated February 22, 2023, a copy of which attached hereto as **Exhibit C**, including the disbursements presented for payment therein with the addition of check no. 9827 in the amount of \$9,720.00 payable to Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher") relative to the District's 2023-2024 insurance policy. After discussion, it was moved by Director Ragan that the Bookkeeper's Report be approved and the disbursements listed therein, including additional check no. 9827 to Gallagher, be approved for payment. Director Bennett seconded said motion, which unanimously carried.

OPERATIONS AND MAINTENANCE REPORT

Ms. Alaquez presented to and reviewed with the Board the Operations and Maintenance Report for the month of January 2023, a copy of which is attached hereto as

Exhibit D, and discussed with the Board the various matters contained therein. Ms. Alaquinez then presented to and reviewed with the Board the list of delinquent accounts for the prior month. Ms. Alaquinez requested authorization to forward one (1) account in the amount of \$94.13 to collections. Director Ragan requested that Inframark lock and pull certain water meters if those accounts remain unpaid. Ms. Alaquinez noted Inframark would do so. Following discussion, Director Ragan moved that Inframark be authorized to forward said account to collections, as requested. Director Bennett seconded said motion, which unanimously carried.

REVIEW OF RENEWAL PROPOSAL FOR DISTRICT INSURANCE COVERAGES

The Board next considered renewal of the District's insurance policies. In connection therewith, Mr. Rubinsky presented to and reviewed with the Board an insurance proposal received from the District's current insurance provider, Gallagher, relative to the renewal of the District's insurance policies and bonds for a term expiring on March 31, 2024. Mr. Rubinsky advised the Board that Gallagher had filed a TEC Form 1295 and provided the District with an original of said form. After discussion on the matter, Director Ragan moved that: (i) Gallagher's proposal, a copy of which is attached hereto as **Exhibit E**, be accepted, as presented, (ii) the President be authorized to execute same on behalf of the Board and the District, (iii) the District accept the TEC Form 1295 relative to the insurance proposal, and (iv) SPH be authorized to acknowledge receipt of the TEC Form 1295. Director Marshall seconded said motion, which unanimously carried.

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 February 22, 2023, a copy of which is attached hereto as **Exhibit F**, relative to the status of engineering and construction projects within the District. He advised that between Board meetings Quiddity and SPH met to discuss the future Wastewater Treatment Plant Improvements project originally identified in the Wastewater Treatment Plant Inspection performed in 2020. In connection therewith, Mr. Dazey requested that the Board authorize Quiddity to update the cost estimate for the proposed improvements and coordinate with the District's Financial Advisor to begin evaluating a future bond issue. After discussion, Director Ragan moved that Quiddity be authorized to update the cost estimate for the proposed Wastewater Treatment Plant improvements and coordinate with the District's Financial Advisor to begin evaluating the possibility of issuing bonds to finance said costs. Director Hoxie seconded the 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.

CLAIM FROM CITYPARK I, LP

Mr. Rubinsky noted that SPH contacted Gallagher for an update regarding the status of its review of City Park I, LP's ("CityPark") claim for reimbursement of costs allegedly related to a sewer backup, which the District submitted to Gallagher for its review and handling. Gallagher informed SPH that they do not yet have an update at this time.

REQUESTS FOR UTILITY COMMITMENTS

Ms. Rubinsky noted that there had been no request for utility commitments and no action is required of the Board at this time.

DISCUSSION REGARDING SECURITY ENHANCEMENTS AND ADDITIONAL LAW ENFORCEMENT SERVICES

It was noted that there are no new updates regarding proposed security enhancements and additional law enforcement services within the District.

Ms. Rodriguez and Mr. Patel exited the meeting at this time.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Rubinsky advised that he had nothing additional of a legal nature that was not covered under another agenda item.

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 Bennett and unanimously carried, the meeting was adjourned.


Secretary



List of Attachments to
Harris County Municipal Utility District No. 122
Minutes of Meeting of February 22, 2023

- Exhibit A Tax Assessor-Collector's Report
- Exhibit B Resolution Concerning Developed District Status for 2023 Tax Year
- Exhibit C Bookkeeper's Report
- Exhibit D Operations and Maintenance Report
- Exhibit E 2023-2024 Insurance Policy
- Exhibit F Engineer's Report