

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122

Minutes of Meeting of Board of Directors

August 23, 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 August 23, 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. ("MAC"); Robert Dazey and Madison Barrington of Quiddity Engineering LLC ("Quiddity"); Melissa Vasquez of Forvis, LLP ("Forvis"); Joyce Bennett, a member of the public; and Abraham Rubinsky, Katie Blasio, Charlotte Griffiths, and Alyssa Kanarr 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 July 26, 2023. After discussion, Director Marshall moved that the minutes of the Board's meeting held on July 26, 2023, be approved, as written. 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 July 31, 2023, which is attached hereto as **Exhibit A**, 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 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, LLP ("PBFCM") dated August 23, 2023, a copy of which is attached hereto as **Exhibit B**. After discussion, the Board concurred that no action was required.

2023 TAX RATE RECOMMENDATIONS

The Board deferred discussion of the 2023 tax rate recommendation pending the certification of values in the District by the Harris Central Appraisal District.

BOOKKEEPER'S REPORT

Mr. Patel presented to and reviewed with the Board the Bookkeeper's Report dated August 23, 2023, a copy of which attached hereto as **Exhibit C**. Mr. Rubinsky noted that an invoice to SPH for legal services was not included, and Mr. Patel said he would look into the matter. Additionally, Ms. Rodriguez noted that the taxable values reflected in the Report needed to be updated. 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 Marshall seconded said motion, which unanimously carried.

ADOPTION OF OPERATING BUDGET FOR FISCAL YEAR ENDING AUGUST 31, 2024

Mr. Patel presented to and reviewed with the Board a proposed operating budget for the District's fiscal year ending August 31, 2024, a copy of which budget is attached to the Bookkeeper's Report, and discussed same with the Board. After discussion, Director Ragan moved that the operating budget for the District's fiscal year ending August 31, 2024, be adopted by the Board and District, as discussed. Director Marshall seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR

The Board considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending August 31, 2023. In connection therewith, Ms. Vasquez presented to and reviewed with the Board a proposal prepared by Forvis, a copy of which is attached hereto as **Exhibit D**. Ms. Vasquez advised that Forvis's base fee for conducting the audit and the preparation of said audit report is \$19,000, plus an administrative fee of \$1,000 to cover out of pocket costs. Fees related to any new bonds sales during the same period will range from \$2000 - \$2,500. Ms. Vasquez additionally advised that Forvis has filed TEC Form 1295 with the TEC and has provided the District with an original of said form. After discussion on the matter, Director Ragan moved that (i) Forvis be engaged to conduct an audit of the District's financial statements and prepare the District's audit report for the fiscal year ending August 31, 2023, in accordance with the terms of the proposal presented, (ii) the District accept Forvis's TEC Form 1295 relative to the preparation of such audit, and (iii) SPH be authorized to acknowledge the District's receipt of same with the TEC. Director Marshall 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 August 2023, a copy of which is attached hereto as **Exhibit E**, and discussed with the Board the various matters contained therein. 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 meters on certain accounts that remain unpaid. Ms. Alaquinez noted Inframark would do so. There were no actions requested or taken in connection with such report. .

ENGINEERING REPORT

Ms. Barrington presented to and reviewed with the Board a written Engineering Report dated August 23, 2023, a copy of which is attached hereto as **Exhibit F**, relative to the status of engineering and construction projects within the District. Director Ragan inquired regarding the contact person at the City of Missouri for MS-4 violations, and Ms. Barrington said she would send him the contact information and a hotline number if available. Director Ragan also noted more plaques need to be placed on storm sewers within the District. There were no actions requested or taken in connection with such report.

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

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

There were no additional matters requested for placement on the agenda for the Board's next meeting.

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.



[Handwritten Signature]
Secretary

686247

List of Attachments to
Harris County Municipal Utility District No. 122
Minutes of Meeting of August 23, 2023

- Exhibit A Tax Assessor-Collector's Report
- Exhibit B Delinquent Tax Report
- Exhibit C Bookkeeper's Report and 2024 Operating Budget
- Exhibit D Proposed Engagement Letter from Forvis
- Exhibit E Operator's Report
- Exhibit F Engineer's Report