

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122

Minutes of Meeting of Board of Directors

September 27, 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 September 27, 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 John Howell of The GMS Group ("GMS"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Sabrina Alaquinez of Inframark, LLC ("Inframark"); Rahi Patel of Municipal Accounts & Consulting, L.P. ("MAC"); Robert Dazey of Quiddity Engineering LLC ("Quiddity"); Joyce Bennett, a member of the public; and Katie Blasio and Charlotte Griffiths 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 23, 2023. After discussion, Director Marshall moved that the minutes of the Board's meeting held on August 23, 2023, be approved, as written. Director Ragan seconded said motion, which unanimously carried.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2023 TAX RATE

Per Mr. Howell's request, the Board next considered the Financial Advisor's recommendation concerning the District's proposed 2023 tax rate. Ms. Blasio 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. Ms. Blasio 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. She 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 2023 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 2023 debt service tax rate and maintenance tax rate with the Board, and advised that GMS is recommending a proposed 2023 debt service tax rate of \$0.07 per \$100 of assessed valuation and a proposed 2023 maintenance tax rate between \$0.442 and \$0.452 per \$100 of assessed valuation. After further discussion on the matter, Director Marshall moved that the Board indicate its intention to set a 2023 debt service tax rate of \$0.07 per \$100 of assessed valuation and a 2023 maintenance tax rate of \$0.46 per \$100 of assessed valuation, resulting in a combined 2023 tax rate of \$0.53 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 2023 tax rate at its next meeting in the *Fort Bend Independent* in the form and as required by law. Director Ragan 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, 2023, which is attached hereto as **Exhibit B**, 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 Hoxie 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, LLP ("PBFCM") dated September 27, 2023, a copy of which is attached hereto as **Exhibit C**. After discussion, Director Ragan moved that PBFCM be authorized to send water termination letters to the delinquent accounts identified in the Delinquent Tax Report as water termination candidates, as recommended by PBFCM. Director Reese seconded the motion, which unanimously carried.

CONSIDERATION OF A RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2023 TAX YEAR

The Board next discussed the possible adoption of a Resolution Concerning Developed District Status for 2023 Tax Year due to the proposed issuance of bonds. After a brief discussion, Ms. Blasio advised that such action was not necessary at this time.

BOOKKEEPER'S REPORT

Mr. Patel presented to and reviewed with the Board the Bookkeeper's Report dated September 27, 2023, a copy of which attached hereto as **Exhibit D**. The Board inquired as to why there were two months of invoices from Quiddity, Inframark, and SPH included in this month's Bookkeeper's Report. Following input from Mr. Dazey, Ms. Alaquinez, and Ms. Blasio, Mr. Patel said that he would look into the matter. After discussion, it was moved by Director Marshall that the Bookkeeper's Report be approved and the disbursements listed therein be approved for payment. Director Hoxie 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. Ms. Alaquinez advised the Board that the auto sampler for the Wastewater Treatment Plant had been installed. After discussion, Director Ragan requested that Inframark lock and pull the water meters on certain accounts that remain unpaid. The Board also instructed Inframark to adjust the deposit for account #122-00333-12. Ms. Alaquinez noted Inframark would do so. There were no actions requested or taken in connection with such report.

In connection with the Operator's report, the Board discussed the District's Drought Contingency Plan ("DCP"). Ms. Alaquinez advised that no restrictions were in place at this time. Mr. Ragan noted that he would like for the District's consultants to consider how the District would enforce restrictions should the DCP be triggered in the future.

CONSIDER REQUEST FROM HARRIS COUNTY PUBLIC HEALTH TO SCHEDULE AN ON-SITE VISIT TO THE DISTRICT'S WASTEWATER TREATMENT PLANT

The Board next considered a request from Harris County Public Health to schedule an on-site visit to the District's Wastewater Treatment Plant in connection with its Wastewater Treatment Surveillance Program. Ms. Alaquinez advised that this program monitors the presence of COVID-19 utilizing wastewater channels and functions as an early warning sign for potential outbreaks. After discussion, Director Ragan moved that the District decline the request from Harris County Public Health to schedule an on-site visit to the District's Wastewater Treatment Plant. Director Marshall seconded the motion, which unanimously carried.

ENGINEERING REPORT

Mr. Dazey presented to and reviewed with the Board a written Engineering Report dated September 27, 2023, a copy of which is attached hereto as **Exhibit F**, relative to the status of engineering and construction projects 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.

In connection with the development within the District, Mr. Dazey advised the Board that Quiddity received notice that a developer plans to construct proposed office space within the empty shell building at 12613 City Park Drive within the City Park development.

REQUESTS FOR UTILITY COMMITMENTS

Ms. Blasio noted that there had been no requests 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. Ms. Blasio advised that she 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 Ragan and unanimously carried, the meeting was adjourned.




Secretary

List of Attachments to
Harris County Municipal Utility District No. 122
Minutes of Meeting of September 27, 2023

- Exhibit A 2023 Tax Rate Setting Points for Discussion
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Delinquent Tax Collections Attorney's Report
- Exhibit D Bookkeeper's Report
- Exhibit E Operator's Report
- Exhibit F Engineer's Report