

## **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122**

Minutes of Meeting of Board of Directors

September 25, 2024

The Board of Directors ("Board") of Harris County Municipal Utility District No. 122 ("District") met in regular session at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas on September 25, 2024, 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 Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MAC"); John Howell of The GMS Group, L.L.C. ("GMS"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Sabrina Alaquinez of Inframark, LLC ("Inframark"); Jennifer Hicks of Accurate Meter & Supply ("Accurate"); Robert Dazey and Wesley Lay 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. In connection therewith, Ms. Bennett reminded the Board of the letter from the Colony Crossing Homeowners Association dated August 21, 2024, which was presented at the August 28, 2024 Board of Directors meeting, requesting financial assistance in the amount of \$450.00 from the District for the community's National Night Out event set for October 1, 2024. The Board noted that this item would be addressed under a separate agenda item later in the meeting.

### **APPROVAL OF MINUTES**

The Board considered the review and approval of the minutes of its meeting held on August 28, 2024. After discussion, Director Marshall moved that the minutes of the Board's meeting held August 28, 2024, be approved, as written. Director Ragan seconded said motion, which unanimously carried.

## **FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2025 TAX RATE**

The Board next recognized Mr. Howell and considered the Financial Advisor's recommendation concerning the District's proposed 2024 tax rate. Mr. Howell presented to and reviewed with the Board a 2024 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 2024 debt service tax rate and maintenance tax rate with the Board, and advised that GMS is recommending a 2025 debt service tax rate of \$0.07 per \$100 of assessed valuation and a 2024 maintenance tax rate of \$.437 per \$100 of assessed valuation. He noted, however, that he recommends publishing a total tax rate of \$0.523 per \$100 of assessed valuation, which is the highest rate that the District can set without holding an election. Mr. Rubinsky next 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. Mr. Rubinsky 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. He 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. After further discussion on the matter, Director Ragan moved that the Board indicate its intention to set a 2024 debt service tax rate of \$0.07 per \$100 of assessed valuation and a 2024 maintenance tax rate of \$0.437 per \$100 of assessed valuation, resulting in a combined 2024 tax rate of \$0.523 per \$100 of assessed valuation, but that the District's Tax Assessor-Collector be authorized to publish notice of the District's intention to adopt a 2024 tax rate at its next meeting in the *Fort Bend Independent* in the form and as required by law. Director Marshall 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, 2024, which is attached hereto as **Exhibit B**, 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 Hoxie 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, L.L.P. ("PBFCM"), the District's Delinquent Tax Collections Attorney, dated September 25, 2024, a copy of which is attached hereto as **Exhibit C**. Mr. Rubinsky noted that water termination letters had been sent out and that eleven (11) taxpayers listed on the report had not responded. He further advised that PBFCM recommends that, if

Inframark or PBFCM did not receive payment or response by the time today's meeting ends, PBFCM will (i) send a list to the Operator and request they hang door tags noticing water termination in 48 hours, and (ii) if still not paid, PBFCM will coordinate termination of water service with Inframark. Mr. Rubinsky then recommended delaying termination of water service to City Park III, LLC ("City Park III") and requested that the BLI and Inframark confirm that the delinquent City Park III account is actually for property located within the District that is receiving services from the District. After discussion, Director Ragan moved that the Board (i) approve the Delinquent Tax Report, and (ii) authorize the Delinquent Tax Collections Attorney to coordinate with Inframark on the termination of water service to those accounts not paid within the time frame recommended by PBFCM, with the exception of the City Park III account. Director Marshall seconded the motion, which unanimously carried.

### **BOOKKEEPER'S REPORT**

Ms. Cooper presented to and reviewed with the Board the Bookkeeper's Report dated September 25, 2024, a copy of which attached hereto as **Exhibit D**. After discussion, Director Hoxie moved that the Bookkeeper's Report be approved and that the disbursements listed therein 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 August 2024, a copy of which is attached hereto as **Exhibit E**, and discussed with the Board the various matters contained therein. Ms. Alaquez next reviewed with the Board the delinquent accounts for the prior month and recommended one (1) account in the amount of \$6.31 be moved to the uncollectible roll. The Board then considered the repair or possible replacement of Blower No. 3 at the District's Wastewater Treatment Plant. Ms. Alaquez advised that the Blower can be repaired at an estimated cost of \$32,210 or can be replaced at a cost of \$54,150. She then advised that she would also review the District's insurance policy for said repairs or replacement to determine whether there is coverage. Following discussion, Director Reese moved that (i) one account be moved to the uncollectible roll, as recommended by Inframark, and (ii) the Board authorize Inframark to replace Blower No. 3 at the Wastewater Treatment Plant at a cost not to exceed \$54,150. Director Ragan seconded said motion, which unanimously carried.

### **PROPOSAL FOR REPLACEMENT OF DISTRICT'S CURRENT WATER METERS WITH ELECTRONIC SMART METERS**

The Board next considered the possible replacement of the District's current water meters with electronic smart meters. The Board recognized Ms. Hicks, who presented to and reviewed with Board existing information from Accurate Meter regarding the electronic meters. Ms. Alaquez next presented and reviewed a proposal from Inframark for the purchase and installation of the AMA Badger Bonze E-Series Meters throughout the District for a total cost of \$263,704.00. A copy of the proposal is attached hereto as **Exhibit F**. Ms. Alaquez stated it would take

approximately six to seven months from ordering of the meters to complete the installation. Following discussion, the Board concurred to defer the matter until the October meeting.

### **REVIEW OF DROUGHT CONTINGENCY PLAN**

Mr. Rubinsky reminded the Board that the District must review its Drought Contingency Plan ("DCP") for required updates no less than every five (5) years as required by applicable rules of the TCEQ, and noted that SPH is currently revising the District's DCP to incorporate recent changes made to the drought contingency plan of Fort Bend Water Control and Improvement District No 2, the District's water supplier. The Board then concurred to defer review of the DCP until its next meeting.

### **ENGINEERING REPORT**

Mr. Dazey advised the Board that Rebecca Watkins is no longer with Quiddity and introduced Mr. Lay who will be transitioning into the lead role at Quiddity in its role as Engineer for the District. Mr. Lay then presented to and reviewed with the Board a written Engineering Report dated September 25, 2024, a copy of which is attached hereto as **Exhibit G**, and discussed with the Board the various matters contained therein, including the continued investigation into sagging power lines along the corridor between Talbot's Mill Phase II and Sawyers Crossing up to the District's Wastewater Treatment Plant and the sparking of same during wind events. Mr. Lay next presented to and reviewed with the Board correspondence from Quiddity dated September 20, 2024, a copy of which is attached to **Exhibit G**, regarding changes to Quiddity's Schedule of Hourly Fees, effective as of October 1, 2024, as provided for in its contract with the District. Following discussion, the Board duly acknowledged Quiddity's new schedule of hourly fees and concurred that no action was required of the Board in connection with same.

### **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**

Mr. Rubinsky noted that there had been no requests for utility commitments and, therefore, no action was required of the Board at this time in connection with same.

### **APPROVE FINANCIAL ASSISTANCE FOR THE COMMUNITY'S NATIONAL NIGHT OUT EVENT**

The Board next considered a request for financial assistance in the amount of \$450.00 from Colony Crossing Homeowners Association for the community's National Night Out event set for October 1, 2024. Following discussion, Director Reese moved that the Board approve the request and make a one-time contribution in the amount of \$450.00 to the Colony Crossing Homeowners Association specifically to be used for the community's National Night Out event. Director

Marshall seconded the motion, which carried by a vote of four (4) in favor, none (0) opposed, and Director Bennett abstaining.

**ATTORNEY'S REPORT**

Mr. Rubinsky advised he had nothing further 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**

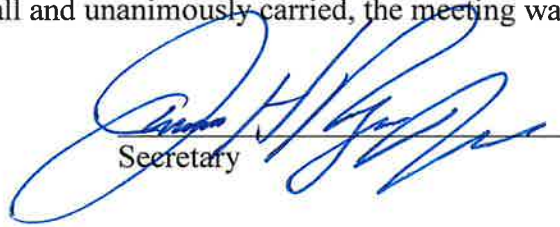
There were no additional matters requested for placement on the agenda for the Board's next meeting that had not already been discussed.

**ADJOURNMENT**

There being no further business to come before the Board, upon motion made by Director Reese seconded by Director Marshall and unanimously carried, the meeting was adjourned.



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Secretary

List of Attachments to  
Harris County Municipal Utility District No. 122  
Minutes of Meeting of September 25, 2024

- Exhibit A 2025 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 Inframark's Smart Meter Proposal
- Exhibit G Engineer's Report