

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 122

Minutes of Meeting of Board of Directors

February 28, 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 February 28, 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, except Director Bennett, thus constituting a quorum.

Also present were Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Sabrina Alaquinez of Inframark, LLC ("Inframark"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MAC"); Robert Dazey and Rebecca Watkins of Quiddity Engineering LLC ("Quiddity"); 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 24, 2024. After discussion, Director Marshall moved that the minutes of the Board's meeting held on January 24, 2024, be approved, as written. Director Ragan seconded said motion, which carried unanimously.

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, 2024, which is attached hereto as **Exhibit A**, 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 Marshall seconded said motion, which unanimously carried.

RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

The Board deferred consideration of a Resolution Concerning Developed District Status for 2024 Tax Year until the next regular meeting of the Board.

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 February 28, 2024, a copy of which is attached hereto as **Exhibit B**. After discussion, the Board concurred that no action was required by the Board at this time.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board the Bookkeeper's Report dated February 28, 2024, a copy of which attached hereto as **Exhibit C**. After discussion, Director Marshall moved that the Bookkeeper's Report be approved and that the disbursements listed therein be approved for payment, except check no. 10028, which was voided. Director Hoxie seconded said motion, which unanimously carried.

STATUS OF CONTINUING DISCLOSURE REPORT

The Board discussed the status of preparation and filing of the District's annual continuing disclosure report which was due on February 29, 2024. In connection therewith, Mr. Rubinsky advised the Board that the annual continuing disclosure report for the District's fiscal year ended August 31, 2023 had been filed with the appropriate entities by Coats Rose, P.C., Continuing Disclosure Counsel to the District, on February 23, 2024, in advance of the February 29, 2024 deadline.

OPERATIONS AND MAINTENANCE REPORT

Ms. Alaquez presented to and reviewed with the Board the Operations and Maintenance Report for the month of January 2024, a copy of which is attached hereto as **Exhibit D**, and discussed with the Board the various matters contained therein. Ms. Alaquez next reviewed with the Board the delinquent accounts for the prior month. After discussion, Director Ragan moved that (i) account 122-00038-09 with a past due balance of \$207.18 and account 122-00179-10 with a past due balance of 128.88 be sent to collections, and (ii) Inframark be authorized to pull the meter on account 122-00103-02 with a past due balance totaling \$431.22 if such account is terminated following today's meeting. Director Marshall seconded said motion, which unanimously carried.

AUTHORIZE REVIEW OF DROUGHT CONTINGENCY PLAN

Mr. Rubinsky advised that the District must review its Drought Contingency Plan ("DCP") for required updates no less than every five (5) years as required by the Texas Commission on Environmental Quality ("TCEQ"), and that such review is required to be performed by May 1, 2024. In connection therewith, the Board requested that language be added to the District's DCP that would provide the District more leverage to enforce restrictions during severe stages of drought. Upon discussion, Director Ragan moved that that Quiddity and Inframark be authorized to review the District's DCP for any required updates, and to recommend additional language to strengthen the enforcement of restrictions during severe stages of drought. Director Marshall seconded said motion, which unanimously carried.

ENGINEERING REPORT

Ms. Watkins presented to and reviewed with the Board a written Engineering Report dated February 28, 2024, a copy of which is attached hereto as **Exhibit E**, relative to the status of engineering projects within the District. Ms. Watkins noted that no action was required by the Board at this time. Mr. Dazey next advised the Board that he will be transitioning into a new role at Quiddity and will no longer be attending the District's Board meetings, but that he will continue to assist Ms. Watkins with any District matter when and if required.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board deferred the annual review of Survey of Wage Rate Scales and adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects at this time.

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 alternate insurance proposal received from McDonald & Wessendorff ("M&W"), relative to the renewal of the District's insurance policies and bonds for the term expiring on March 31, 2025. The Board was also provided a copy of the insurance proposal from the District's current insurance broker, Arthur J. Gallagher & Co ("Gallagher"), which had been reviewed by the Board at the February 28, 2024 meeting. Copies of both the M&W proposal and the Gallagher proposal are attached hereto as **Exhibit F**. After a thorough review and discussion regarding said proposals, Director Ragan moved that: (i) Gallagher's proposal 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.

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 is required of the Board at this time in connection with same.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 4, 2024. Mr. Rubinsky advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 20, 2024. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Rubinsky then presented and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit G**. After discussion, Director Ragan moved that the Order be adopted by the Board declaring Joycelyn Reese Barnes and John R. Marshall elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 4, 2024, be cancelled. Director Hoxie seconded said motion, which unanimously carried.

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.


Secretary

(SEAL)

716864



List of Attachments to
Harris County Municipal Utility District No. 122
Minutes of Meeting of February 28, 2024

- Exhibit A Tax Assessor-Collector's Report
- Exhibit B Delinquent Tax Collections Attorney's Report
- Exhibit C Bookkeeper's Report
- Exhibit D Operator's Report
- Exhibit E Engineer's Report
- Exhibit F M&W and Gallagher 2024-2025 Insurance Proposals
- Exhibit G Order Declaring Candidates Elected