

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 123

June 19, 2024

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 123 ("District") met in regular session, open to the public, on the 19th day of June 2024, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Larry Perkins	President
Joseph Caballero	Vice President
Jeffrey Joseph	Secretary
Dustin Nelson	Assistant Vice President
Mirna Bonilla-Odums	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Christy Wells and Dylan Wells of NJ Services, LLC ("NJ Services"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Mark Swanson and Cole Caraway of LJA Engineering, Inc. ("LJA"); Erin Garcia of Myrtle Cruz, Inc. ("Myrtle Cruz"); Calvin Browne of Municipal District Services, LLC ("MDS"); and Nellie Connally and Kia Fields of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the regular and special meeting minutes of May 15, 2024. After review and discussion, Director Joseph moved to approve the regular and special meeting minutes, as presented. Director Nelson seconded the motion, which passed unanimously.

RECEIVE REPORTS FROM DIRECTORS

The Board discussed the recent Association of Water Board Directors summer conference.

DISCUSS OUTREACH TO UNDERPRIVILEGED BUSINESSES

There was no discussion on this item.

REVIEW CONSULTANT CONTRACTS

There was no discussion on this item.

TCEQ PHASE II SMALL MS4 GENERAL PERMIT AND STORM WATER MANAGEMENT PLAN

There was no discussion on this item.

BOOKKEEPING MATTERS

Ms. Garcia reviewed the bookkeeper's report, including the investment report and the bills submitted for payment. A copy of the bookkeeper's report is attached.

The Board discussed District bond funds remaining and the Wastewater Treatment Plant Expansion project, including expenses remaining for such project. Following discussion, Mr. Swanson stated he would verify the amount of expenses remaining for the project.

Ms. Garcia then presented and reviewed a parks tracking chart, a copy of which is attached to the bookkeeper's report, and the Board further discussed bond funds remaining, including utilizing the funds for the irrigation pump station project. Mr. Caraway provided the amount remaining for the Wastewater Treatment Plant Expansion project. Following discussion, the Board concurred to prioritize using bond funds remaining to complete the irrigation pump station project.

Ms. Garcia next requested approval of check nos. 2032 and 2035, both payable to Director Perkins in the respective amounts of \$204.09 and \$830.46, and check nos. 2033 and 2034, payable to Director Nelson and Director Bonilla-Odums in the respective amounts of \$2,237.29 and \$816.36, all for Director fees of office, which she noted are not included in the report.

The Board discussed a map of facilities owned by the District versus the homeowner association ("HOA"), including irrigation systems. Following discussion, the Board concurred to have Mr. Browne provide the current map of facilities to the HOA.

After review and discussion, Director Bonilla-Odums moved to approve the bookkeeper's report, investment report, and payment of the bills, including check nos. 2032-2035. Director Caballero seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Flores reviewed the District's monthly tax report, a copy of which is attached, including the delinquent tax roll. She stated that 97.52% of the District's 2023 taxes had been collected as of May 2024.

Ms. Connally stated the District's delinquent tax attorney can begin collection of delinquent 2023 real property taxes as of July 1, 2024.

Ms. Flores reviewed a Second Amendment to Amended and Restated Contract for the Assessment and Collection of Taxes with Tax Tech.

After review and discussion, Director Bonilla-Odums moved to: (1) approve the tax assessor/collector's report and payment of the tax bills; (2) authorize the delinquent tax attorney to proceed with the collection of delinquent 2023 real property taxes; and (3) approve the Second Amendment to Amended and Restated Contract for the Assessment and Collection of Taxes with Tax Tech. Director Caballero seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Mr. Caraway distributed an engineer's report, a copy of which is attached.

Mr. Caraway updated the Board regarding construction of the Wastewater Treatment Plant and reviewed and recommended approval of Pay Estimate No. 17 in the total amount of \$338,151.25, payable to R&B Group, Inc. ("R&B Group"), split between the District and Fort Bend County Municipal Utility District No. 122. He stated the District's portion is \$175,838.65.

Mr. Caraway updated the Board regarding construction of the Widening and Reconstruction of Beechnut Street.

Mr. Caraway updated the Board regarding construction of the Water Plant Expansion and reviewed and recommended approval of Pay Estimate Nos. 2 and 3 in the respective amounts of \$20,096.19 and \$44,165.88. He stated that the District's portions are \$10,450.02 and \$22,966.26, respectively.

Mr. Caraway updated the Board regarding construction of the Lakemont Stormwater Reuse Pump Station Rehabilitation.

Following review and discussion, Director Bonilla-Odum moved, based on the engineer's recommendation, to: (1) approve the engineer's report; (2) approve Pay Estimate No. 17 in the amount of \$338,151.25, payable to R&B Group for construction of the Wastewater Treatment Plant; and (3) approve Pay Estimate Nos. 2 and 3 in respective amounts of \$20,096.19 and \$44,165.88 for construction of the Water Plant Expansion. Director Joseph seconded the motion, which passed unanimously.

AUTHORIZE ACCEPTANCE AND CONVEYANCE OF EASEMENTS/DEEDS/
UTILITY DEEDS, APPROVAL OF ABANDONMENT OF EASEMENT OR FACILITIES,
AND REVIEW OF PLANS

There was no discussion on this item.

PARK PROJECT AND RECREATIONAL FACILITY MATTERS

There was no discussion on this item.

PROPOSALS FOR GENERAL LIABILITY AND DIRECTORS AND OFFICERS
LIABILITY INSURANCE

The Board deferred action on this item.

REVIEW MAINTENANCE AND CAPITAL IMPROVEMENT PLAN ("CIP") AND
DISCUSS BIENNIAL INSPECTION OF DISTRICT FACILITIES

Mr. Caraway presented and reviewed a revised draft CIP and discussed proposed projects included therein. The Board discussed the timeline for the projects and the determination that a portion of the bridge the District recently repaired is owned by the HOA. Following discussion, the Board concurred to revise the CIP, as discussed, and notify the HOA of the ownership of its portion of the bridge, including proposing to the HOA that they evaluate the bridge.

OPERATOR'S REPORT

Mr. Browne presented and reviewed the operator's report, a copy of which is attached, and reported on routine maintenance and repair items in the District.

Mr. Browne presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

Mr. Browne requested Board authorization to write off one delinquent account totaling \$351.79 and send it to a collection agency.

Mr. Browne updated the Board regarding a repair near the recreation center, noting MDS plans to gather costs for additional items to present to the Board.

In response to an inquiry regarding equipment remaining in the District from a recent repair, Mr. Browne stated he would verify the need for the equipment.

The Board then discussed the option to install smart meters in the District, and Mr. Browne stated he confirmed with the District's bookkeeper that funds are available to install the meters. Discussion ensued regarding the program.

After review and discussion, Director Joseph moved to: (1) approve the operator's report; (2) authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's records; and (3) authorize MDS to write off one delinquent account totaling \$351.79 and send them to a collection agency. Director Caballero seconded the motion, which passed by unanimous vote.

WEBSITE COMMUNICATION MATTERS

There was no discussion on this item.

MAINTENANCE OF LAKES AND CHANNELS

Ms. Wells reviewed the mowing report, a copy of which is attached, and updated the Board regarding debris behind a home in the District, which such area was believed to be the responsibility of the HOA. Following discussion, the Board concurred for NJ Services not to remove the debris.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.


Secretary, Board of Directors



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