

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 123

May 15, 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 15th day of May 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, except Director Caballero, thus constituting a quorum.

Also present at the meeting were Christy 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 Katie Sherborne and Kia Fields of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board discussed reports of issues with debris left near driveways due to repairs in the District. Discussion ensued, and Mr. Browne updated the Board regarding MDS' procedures while working in the District.

APPROVE MINUTES

The Board considered approving the regular and special meeting minutes of April 17, 2024, and discussed a revision. After review and discussion, Director Joseph moved to approve the regular and special meeting minutes, as revised. Director Nelson seconded the motion, which passed unanimously.

RECEIVE REPORTS FROM DIRECTORS

There were no reports from Directors.

DISCUSS OUTREACH TO UNDERPRIVILEGED BUSINESSES

There was no discussion on this item.

REVIEW CONSULTANT CONTRACTS

The Board discussed the status of the Amended and Restated Agreement for Sharing Costs of Security Services (the "Agreement"), including plans to finalize the Agreement and security costs anticipated by all parties.

Further discussion ensued regarding billing matters for work by the District's consultants, and the Board requested timely submission of documents from the consultants.

After review and discussion, Director Joseph moved to approve the Agreement, subject to receipt from the Lakemont Community Association, Inc (the "HOA"). Director Nelson seconded the motion, which passed by unanimous vote.

After review and further discussion, Director Joseph moved to terminate the Agreement by giving 30-day notice if not received from the HOA by May 17, 2024. Director Bonilla-Odums seconded the motion, which passed by unanimous vote.

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

There was no discussion on this item.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2019 BONDS

Ms. Sherborne reviewed OmniCap Group LLC's arbitrage rebate and yield restriction calculations for the District's Series 2019 Bonds and reported that no rebate is due to the Internal Revenue Service at this time.

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. She then requested approval of check no. 2001 payable to Director Bonilla-Odums in the amount of \$204.09 for Director fees of office, which she noted is not included in the report.

Discussion ensued regarding expenses related to the park project and an emergency repair to the foot bridge planned in the District. Following discussion, the Board concurred to have the District engineer issue a letter to the Texas Commission on Environmental Quality ("TCEQ") related to the repair.

After review and discussion, Director Bonilla-Odums moved to approve emergency repair of the foot bridge, split 50/50 between the District and Fort Bend County MUD No. 122, pending final cost, subject to final review by Director Perkins. Director Bonilla-Odums seconded the motion, which passed by unanimous vote.

After further review and discussion, Director Joseph moved to approve the bookkeeper's report, investment report, and payment of the bills, including check no. 2001. Director Bonilla-Odums seconded the motion, which passed by unanimous vote.

After additional discussion, Director Joseph moved to amend the motion related to the emergency repair to include authorizing Ninyo & Moore to complete a soil evaluation. Director Nelson seconded the motion, which passed by unanimous vote

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board discussed the AWBD summer conference and the District's Travel Reimbursement Guidelines.

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 April 2024. She then reported the estimated 2024 preliminary value of the District is \$492,759,067.

After review and discussion, Director Joseph moved to approve the tax assessor/collector's report and payment of the tax bills. Director Nelson 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.

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.

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

The Board considered authorizing the District's engineer to complete the biannual inspection of District facilities.

Discussion ensued regarding requests from Hanover related to planned development, which such requests the Board concurred to further discuss during the special meeting.

Following review and discussion, Director Bonilla-Odums moved, based on the engineer's recommendation, to: (1) approve the engineer's report; and (2) authorize LJA to complete the biannual inspection of District facilities. Director Nelson seconded the motion, which passed by unanimous vote.

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

Ms. Sherborne reported she is awaiting information to obtain a proposal from Arthur J. Gallagher & Co. for general liability and directors and officers liability insurance.

REVIEW MAINTENANCE AND CAPITAL IMPROVEMENT PLAN ("CIP")

Mr. Caraway presented and reviewed a draft CIP. Following discussion, the Board concurred to defer action to next month.

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 two delinquent accounts totaling \$177.45 and send them to a collection agency.

The Board considered approving the District's Consumer Confidence Report ("CCR") for 2023. Mr. Browne requested authorization to send the CCR via electronic correspondence.

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; (3) authorize MDS to write off two delinquent accounts totaling \$177.45 and send them to a collection agency; and (4) approve the CCR and authorize MDS to send the CCR electronically to the District's customers and certify the filing with the TCEQ. Director Nelson 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 NJ's efforts to remove debris in the District. Discussion ensued regarding increasing the frequency of maintenance. Following review and discussion, the Board concurred to have NJ complete maintenance biweekly.

2024 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Dustin Nelson, Joseph Caballero, and Mirna Bonilla-Odums to the Board of Directors of the District each for a four-year term.

Ms. Sherborne reviewed the Sworn Statements and Oaths of Office for Directors Nelson, Caballero, and Bonilla-Odums.

After review and discussion, Director Joseph moved to: (1) approve the Certificate of Election and the distribution of same to Directors Nelson, Caballero, and Bonilla-Odums, and direct that the Certificate of Election be filed appropriately and retained in the District's official records; and (2) approve the Sworn Statements and Oaths of Office and direct that the documents be filed appropriately and retained in the District's official records, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Nelson seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD

The Board considered reorganizing. Following discussion, Director Joseph moved to maintain current Director positions. Director Nelson seconded the motion, which passed by unanimous vote.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the TCEQ, reflecting the terms of the newly elected directors. Following review and discussion, Director Joseph moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Nelson seconded the motion, which passed by unanimous vote.

TEXAS PUBLIC INFORMATION ACT TRAINING

Ms. Sherborne discussed the Texas Public Information Act ("TPIA") and noted that the Texas Legislature has made it explicit that officers and employees of governmental entities are temporary custodians of public information. She distributed a memorandum regarding Texas Open Meetings Act ("TOMA") and TPIA training requirements, noted that all Directors have previously completed TOMA training, and encouraged the Board of Directors to receive TPIA training as soon as possible and forward their certificate of completion to ABHR for inclusion in the District's permanent records.

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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