

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 123

August 21, 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 21st day of August 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 Christine Crotwell of Masterson Advisors LLC; Richard Bautista and Kyle McAndrews of Taylor Morrison; Kevin Gilligan of BGE, Inc.; 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

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the regular and special meeting minutes of July 17, 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 work in the District related to setting up power at the park. Further discussion ensued regarding a sidewalk needed near a school in the District, including plans to address the matter with Fort Bend County officials.

DISCUSS OUTREACH TO UNDERPRIVILEGED BUSINESSES

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. She then requested approval of check no. 2182 payable to Fort Bend County MUD No. 122 in the amount of \$34,873.30 for the District's portion of a sink hole repair, which she noted is not included in the report.

Ms. Garcia reviewed a proposed District operating budget and Joint Facilities budget and the Board discussed recommended revisions to same.

After review and discussion, Director Bonilla-Odums moved to approve the bookkeeper's report, investment report, and payment of the bills including check no. 2182. Director Nelson seconded the motion, which passed by unanimous vote.

DISCUSSION OF DRAINAGE AGREEMENT WITH FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 50 ("MUD 50")

The Board discussed a proposed development in MUD 50. Mr. McAndrews presented and reviewed a land plan, and Mr. Gilligan requested the District approve a maintenance agreement related to the development. Discussion ensued regarding same. Following review and discussion, Director Joseph moved to authorize ABHR to draft and coordinate a maintenance agreement between the District and MUD 50. Director Nelson 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 99.22% of the District's 2023 taxes had been collected as of July 2024. After review and discussion, Director Bonilla-Odums moved to approve the tax assessor/collector's report and payment of the tax bills. Director Caballero seconded the motion, which passed by unanimous vote.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2019A REFUNDING BONDS

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

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2024 tax rate. Ms. Crotwell distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 water, sewer, and drainage debt service tax rate of \$0.54 per \$100 of assessed valuation, based on the District's initial 2024 certified value of \$489,517,974, plus \$1,999,682 representing 80% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Crotwell discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Joseph moved to: (1) set the public hearing date for September 18, 2024; and (2) authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the District's meeting on September 18, 2024, to set the proposed 2024 total tax rate of \$0.90 per \$100 of assessed valuation, with \$0.54 allocated for debt service on water, sewer, and drainage bonds, and \$0.36 allocated for operations and maintenance. Director Nelson seconded the motion, which passed unanimously.

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 Water Plant Expansion.

Mr. Caraway updated the Board regarding construction of the Lakemont Stormwater Reuse Pump Station Rehabilitation, and reviewed and requested approval of a proposal for engineering services in the total amount of \$122,000.00.

Following review and discussion, Director Bonilla-Odums moved, based on the engineer's recommendation, to: (1) approve the engineer's report; and (2) approve the proposal for engineering services related to the Lakemont Stormwater Reuse Pump

Station Rehabilitation project in the total amount of \$122,000.00. Director Nelson 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.

REVIEW MAINTENANCE AND CAPITAL IMPROVEMENT PLAN ("CIP")

Mr. Caraway presented and reviewed the CIP with the Board.

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 \$2,003.91 and send them to a collection agency.

After review and discussion, Director Bonilla-Odums 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 two delinquent accounts totaling \$2,003.91 and send them to a collection agency. Director Nelson seconded the motion, which passed by unanimous vote.

Mr. Browne presented and reviewed a Fourth Amendment to Service Agreement (the "Amendment") between the District and MDS. After review and discussion, Director Bonilla-Odums moved to approve the Amendment. Director Joseph seconded the motion, which passed by unanimous vote.

WEBSITE COMMUNICATION MATTERS

The Board discussed website communication matters and concurred to further discuss during the special meeting.

MAINTENANCE OF LAKES AND CHANNELS

Ms. Wells reviewed the mowing report, a copy of which is attached. She then presented a proposal to apply herbicide to remove vegetation from the lakes and channels in the total amount of \$8,587.00. Discussion ensued regarding future planned maintenance. Following review and discussion, Director Joseph moved to: (1) approve the mowing report; and (2) approve the proposal apply herbicide to remove vegetation from the lakes and channels in the total amount of \$8,587.00. Director Caballero seconded the motion, which passed by unanimous vote.

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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