

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 123

March 20, 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 20th day of March 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"); Cole Caraway of LJA Engineering, Inc. ("LJA"); Jackie Noyola 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 February 21, 2024. After review and discussion, Director Bonilla-Odums 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 security matters, including plans to add additional patrol and hours and compensation related to the additional services.

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.

2024 DIRECTORS ELECTION

Ms. Sherborne discussed procedures related to the 2024 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors, to be executed by the Board Secretary, stating the District received three candidate applications for the three director positions for the May 4, 2024, Directors Election.

Ms. Sherborne presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating the May 4, 2024, Directors Election is cancelled and the unopposed candidates, Dustin Nelson, Joseph Caballero, and Mirna Bonilla-Odums, are declared elected to office to serve from the May 4, 2024, election until the May 6, 2028, Directors Election.

Ms. Sherborne reminded the Board that it approved entering into a contract with Fort Bend County (the "County") to administer the District's 2024 Directors Election, which may now be cancelled.

Following review and discussion, Director Bonilla-Odums moved to (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors; (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office; and (3) cancel the contract with the County for election services for the May 4, 2024 Directors Election. Director Caballero seconded the motion, which passed unanimously.

BOOKKEEPING MATTERS

Ms. Noyola 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 the tracking sheet related to the park project and requested the sheet in advance of the park committee and Board meetings. Further discussion ensued regarding services planned at the park.

After review and discussion, Director Joseph moved approve the bookkeeper's report, investment report, and payment of the bills. Director Nelson seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Ms. Sherborne stated that no changes are required at this time.

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 95.24% of the District's 2023 taxes had been collected as of February 2024.

After review and discussion, Director Joseph 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.

Ms. Flores then presented and reviewed a written request from a District resident for a waiver of penalties and interest on delinquent taxes for 2023. Ms. Flores stated that, based on the facts and circumstances of the request, she recommended denying the request. Discussion ensued and the Board considered the circumstances of the request. Following review and discussion, Director Joseph moved to deny the request for the waiver of penalties and interest on the resident's delinquent taxes for 2023. 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 ("WWTP") and reviewed and recommended approval of Pay Estimate No. 16 in the total amount of \$26,550, 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 \$13,806. Discussion ensued regarding matters related to the project being delayed. Following discussion, the Board concurred with having the engineer provide information related to delays of the project to ABHR for review before processing.

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.

Following review and discussion, Director Bonilla-Odums moved, based on the engineer's recommendation, to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 16 in the amount of \$26,550, payable to R&B Group for construction of the WWTP. Director Caballero 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

The Board concurred to discuss this matter during the special meeting.

REVIEW MAINTENANCE AND CAPITAL IMPROVEMENT PLAN ("CIP")

Mr. Caraway updated the Board regarding plans to update the CIP, noting he plans to have an update to the CIP at the next Board meeting.

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 \$67.74 and send them to a collection agency.

After review and discussion, Director Caballero 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 \$67.67 and send them to a collection agency. Director Joseph seconded the motion, which passed by unanimous vote.

The District's operator discussed the Water Conservation Plan annual report and 5-year implementation report on the Water Conservation Plan with the Board.

Ms. Sherborne stated that the TCEQ rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2024. Ms. Sherborne reviewed an Amended and Restated Water Conservation Plan with the Board.

Ms. Sherborne stated that the Texas Commission on Environmental Quality rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2024, prior to May 1st. Ms. Sherborne reviewed an Amended and Restated Drought Contingency Plan with the Board.

The Board reviewed the District's Critical Load Spreadsheet ("Spreadsheet").

Ms. Sherborne discussed the District's Emergency Preparedness Plan ("EPP") and requirements to file any updates with the Texas Commission on Environmental Quality (the "TCEQ"). She stated the District is required to update the personnel and contact information listed in the EPP and submit the updated pages to the TCEQ and other required entities.

After review and discussion, Director Joseph moved to: (1) approve the annual report and 5-year implementation report on the Water Conservation Plan, subject to final review, direct that the reports be filed appropriately and retained in the District's official records, and authorize the District Operator to submit the reports to the appropriate government agencies; (2) adopt an Order Adopting Amended and Restated Water Conservation Plan, subject to final review, and direct that the Order be filed appropriately and retained in the District's official records; (3) adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records; (4) approve the Spreadsheet, retain the Spreadsheet in the District's official records, and authorize filing of the Spreadsheet with all appropriate authorities; and (5) authorize MDS to update the necessary personnel and contact information in the EPP and submit the updated pages to all required entities. Director Nelson seconded the motion, which passed by unanimous vote.

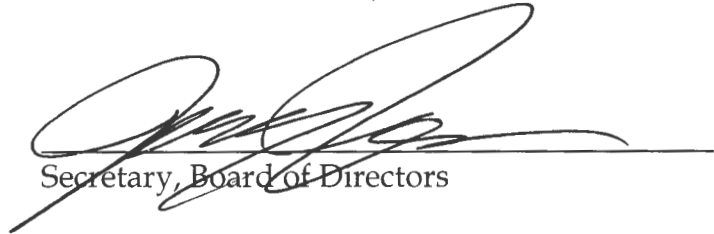
WEBSITE COMMUNICATION MATTERS

The Board discussed updates related to park operations 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. The Board then discussed efforts to work with the County to remove debris along Beechnut Road. Further discussion ensued regarding seeding and fertilization performed in the District.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
Tax Assessor-Collector's report	3
Engineer's report.....	3
Operator's report.....	4
Mowing report.....	6