

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 119

July 5, 2023

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 119 (the "District") met in regular session, open to the public, on the 5th day of July, 2023, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Alan Shelby	President
Carol Richardson	Vice President
Jeanette Spinks	Secretary
Brian Keith Joseph	Assistant Vice President
Michael J. Garza	Assistant Secretary

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

Also attending the meeting were: Magen Fischer of Sales Revenue Inc. ("SRI"); Loren Morales of RBC Capital Markets ("RBC"); Kurt Adkins of Summit Management, LLC; Sergeant Mark Harrison and Lieutenant Martin Garret of the Fort Bend County Constable's Office; Rene Anandel of Wheeler & Associates, Inc. ("Wheeler"); Jimm Davis of Myrtle Cruz, Inc. ("Myrtle Cruz"); Sarah Valladares of Stormwater Solutions ("SWS"); Brian Chovanec of Benchmark Engineering Corporation ("Benchmark"); Missy Steadman and Randy Davila of Inframark, LLC ("Inframark"); and Teshia Judkins and Kia Fields of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board received no public comments.

MINUTES

The Board considered approving the minutes of the May 3, 2023, meeting. After discussion, Director Shelby moved to approve the minutes, as presented. Director Spinks seconded the motion, which carried by unanimous vote.

SECURITY SERVICES

Lieutenant Garret discussed the May and June reports on security services in the District, copies of which are attached.

TAX REPORT

Ms. Andel provided copies of the monthly tax reports for the months of May and June, copies of which are attached, and reviewed the District's monthly tax report for the month of June, reflecting collections of 98.63% of the District's 2022 taxes at the end of June, 2023. She further reported that the preliminary 2023 value of the District provided by the appraisal district is \$598,298,529, although that amount may change. Discussion ensued, including discussion regarding certain delinquent tax accounts and procedures related to delinquent tax collections.

Following review and discussion, Director Garza moved to approve the tax assessor/collector's reports and authorize payment of the tax bills. Director Joseph seconded the motion, which carried unanimously.

COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the District's delinquent tax attorney to proceed with the collection of delinquent 2022 property taxes after July 1, 2023. After discussion, Director Garza moved to authorize the District's delinquent tax attorney to proceed with collection of delinquent property taxes. Director Joseph seconded the motion, which carried by unanimous vote.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Judkins reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Judkins explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Spinks moved to authorize execution of the Amendment to Information Form and to authorize filing with Fort Bend County and the TCEQ. Director Shelby seconded the motion, which passed unanimously.

SALES TAX COLLECTIONS AND ACCOUNTS, INCLUDING REPORT FROM SALES REVENUE INC.

Ms. Fischer presented and reviewed a Sales and Use Tax Administration Report, dated June 2023, a copy of which is attached. She provided an update on sales taxes received from commercial businesses in the District.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

Ms. Judkins discussed the tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for the categories and said the Board must annually determine the District's category for that tax year. Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed district for the 2023 tax year. Following review and discussion, Director Garza moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed district for the 2023 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Spinks seconded the motion, which passed unanimously.

DIRECTOR FEES OF OFFICE

Ms. Judkins stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation. After discussion, Director Shelby moved to approve payment of directors' fees of office at the new maximum amount allowed by law, effective as of June 18, 2023. Director Joseph seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference and Mr. Davis confirmed expenses were submitted in accordance with the District's Travel Reimbursement Guidelines. After review and discussion, Director Shelby moved to: (1) approve reimbursement of eligible expenses from the AWBD summer conference; and (2) authorize any interested directors to attend the AWBD winter conference. Director Garza seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Davis presented the bookkeeper's reports for the months of May and June and submitted the bills for payment. Copies of the bookkeeper's reports are attached. He reviewed the District's investments, including the monthly investment report, a year-to-date budget comparison, certificates of deposit matured and renewed, and a reconciliation of North Fort Bend Water Authority ("NFBWA") revenues and expenses.

Mr. Davis reviewed and discussed a draft budget for the fiscal year end September 30, 2024 with the Board.

After review and discussion, Director Spinks moved to approve the bookkeeper's reports, including the checks presented for payment. Director Joseph seconded the motion, which carried by unanimous vote.

MOWING, MAINTENANCE, AND REPAIR OF DISTRICT DRAINAGE FACILITIES

Ms. Valladares presented a report regarding maintenance of the District's drainage facilities, a copy of which is attached. She reported SWS completed inspecting the drainage channels, and stated SWS plans to coordinate with Benchmark to assess the status of outfall pipes and report recommendations regarding any repairs to same at a future Board meeting. She then presented, reviewed, and recommended for approval a proposal from SWS to repair voids under concrete paving in the District using a foam filling in the total amount of \$7,512.00. Discussion ensued, including discussion regarding revising the drainage mowing and maintenance line item in next year's budget. Following review and discussion, Director Shelby moved to approve the proposal for SWS to repair voids under concrete paving for an amount not to exceed \$7,512.00, as recommended. Director Garza seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Chovanec distributed and reviewed a report from Benchmark regarding the status of engineering projects in the District, including items specifically addressed as follows in these minutes. A copy of the report is attached. He reported on correspondence reviewed related to planned development in the District, noting he would review the plans, when received, and coordinate with the District operator as needed. Discussion ensued, including discussion regarding additional correspondence received related to development in the District. Mr. Chovanec noted no action related to that development was needed at this time.

UTILITY COMMITMENT LETTERS AND ANNEXATION REQUESTS

There were no utility commitment letters or annexation requests for the Board's review.

DEEDS, EASEMENTS, AND CONSENTS TO ENCROACHMENT

There were no deeds, easements, and/or consents to encroachment for the Board's approval and/or acceptance.

FORT BEND COUNTY'S MCKASKLE ROAD PROJECT

Mr. Chovanec updated the Board regarding Fort Bend County's evaluation of a possible project to widen McKaskle Road.

OPERATOR'S REPORT

Mr. Davila presented the monthly operator's report for June, a copy of which is attached. He reviewed routine maintenance and repairs in the District, as itemized in the report. Mr. Davila stated the District's water accountability was 91.39% for the previous billing period.

Mr. Davila updated the Board regarding the previous valve and manhole surveys completed in the District. He recommended completing the repairs identified in that valve survey for an estimated cost of \$66,425.00 and also recommended performing a manhole survey at a cost of \$19,910.00.

Mr. Davila recommended the Board authorize submitting one delinquent water and sewer services account with a balance of \$291.08 to Collections Unlimited for collection.

Mr. Davila stated Inframark recommends replacing booster pump no. 4 at the water plant. He presented and reviewed a proposal for the replacement of the pump, a copy of which is attached to the operator's report, and stated the estimated replacement cost is \$18,526.00.

Ms. Steadman updated the Board regarding replacing the fence at the water plant due to the fence being damaged during recent high winds, noting Inframark plans to file an insurance claim for such replacement. She presented and reviewed alternative proposals for chain link or wood material for the new fence. Ms. Steadman stated the estimated cost for a new chain link fence is \$39,040.00 and the estimated replacement cost for a new wood fence is \$58,400.00. Discussion ensued, including discussion of additional options related to the fence.

Following discussion, Director Spinks moved to: (1) approve the operator's report; (2) authorize Inframark to complete repairs that resulted from the last valve survey at a cost not to exceed \$66,425.00; (3) perform a manhole survey at a cost not to exceed \$19,910.00; (4) authorize Inframark to replace booster pump no. 4 at the water plant at a cost not to exceed \$18,526.00; (5) authorize submitting one delinquent account totaling \$291.08 to Collections Unlimited for collection, as recommended; and (6) authorize Inframark to replace the fence at the water plant with a new chain link fence as described in the proposal for same at a cost not to exceed \$39,040.00. Director Joseph seconded the motion, which carried by unanimous vote.

TERMINATION OF UTILITY SERVICE

Mr. Davila presented a list of delinquent accounts to the Board. He stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. He noted that the accounts listed have neither attended the Board meeting nor contacted her office or the District to contest or explain the charges, except for accounts paid earlier in the day. After review and discussion, Director Spinks moved to authorize the District's operator to proceed with termination of the utility service pursuant to the provisions of the District's Rate Order to accounts remaining unpaid except for those accounts where payments are being made in accordance with a payment plan authorized by the District's operator. Director Joseph seconded the motion, which carried by unanimous vote.

NFBWA MATTERS

Ms. Steadman updated the Board regarding the status of the District's initiatives included in the Water Provider Conservation Program.

REVIEW RATE ORDER AND AMEND, IF APPROPRIATE

Ms. Steadman updated the Board regarding a notice received from the City of Houston concerning an automatic increase in the sewer rates the City charges the District, effective April 1, 2023. She explained that, due to the increase in the cost to the District, Inframark recommends the District increase the sewer rate in the District's Rate Order by \$0.16 per 1,000 gallons. The Board considered revising the sewer rate in the District's Rate Order from \$1.50 per 1,000 gallons to \$1.66 per 1,000 gallons. Following discussion, Director Spinks moved to amend the Rate Order, as discussed. Director Joseph seconded the motion, which carried by unanimous vote.

INTERLOCAL AGREEMENT FOR WATER WISE PROGRAM

The Board considered approving an Interlocal Agreement with the Fort Bend Subsidence District for the District's participation in the Water Wise program. After discussion, Director Spinks moved to approve the Interlocal Agreement for the Water Wise program. The motion was seconded by Director Joseph seconded the motion, which passed unanimously.

DISTRICT CORRESPONDENCE

Ms. Judkins stated the Texas Governor announced that he would no longer renew the disaster declaration related to COVID-19, which had been in place since March 13, 2020, and therefore the current disaster declaration expired on June 14, 2023. She explained that the District's Resolution Regarding Delegation of Authority Due to an Emergency and the District's Resolution Regarding Delegation of Authority Due to

an Emergency [Tax Consultant] each automatically and immediately terminated when the declared disaster ended and no further action is needed.

PHASE II SMALL MS4 GENERAL PERMIT AND STORM WATER MANAGEMENT PLAN, INCLUDING STATUS OF COMPLIANCE, NECESSARY TRAINING, AND PUBLIC COMMENT

There was no discussion on this matter.

RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR FORT BEND CENTRAL APPRAISAL DISTRICT

Ms. Judkins stated the Board has an opportunity to nominate a candidate for the Fort Bend Central Appraisal District Board. After review and discussion, the Board took no action to nominate a candidate for the Board of Director Election for Fort Bend Central Appraisal District.

REPORT REGARDING LEGISLATIVE MATTERS

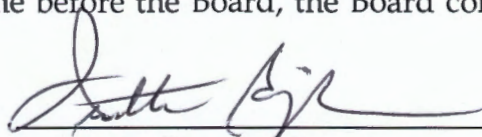
Ms. Judkins distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular session of the Texas Legislature.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE; RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board did not convene in executive session.

The Board discussed the next meeting date and concurred to meet next on August 2, 2023.

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

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