

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 119

August 3, 2022

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 3rd day of August, 2022, 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: Loren Morales of RBC Capital Markets ("RBC"); Brittini Silva of Myrtle Cruz, Inc. ("Myrtle Cruz"); Travis Benes of Stormwater Solutions ("SWS"); Rene Andel of Wheeler & Associates, Inc. ("Wheeler"); Brian Chovanec of Benchmark Engineering Corporation ("Benchmark"); Missy Steadman of Inframark, LLC ("Inframark"); Deputy Salman Ghaffar of the Fort Bend County Constable's Office; and Teshia Judkins, Alex Manautou, 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 July 6, 2022, meeting. After discussion, Director Garza moved to approve the minutes, as presented. Director Shelby seconded the motion, which carried by unanimous vote.

SECURITY SERVICES

Lieutenant Ghaffar discussed the July report on security services in the District, a copy of which is attached, and addressed questions related to same.

TAX REPORT

Ms. Andel reviewed the District's monthly tax report for the month of July, a copy of which is attached, reflecting collections of 98.38% of the District's 2021 taxes at the end of July, 2022. Discussion ensued regarding certain delinquent tax accounts on the delinquent tax report.

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

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

The Board reviewed a Sales and Use Tax Administration Report, dated July 2022, a copy of which is attached.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2022 tax rate. Ms. Judkins discussed the two-step process for setting the District's tax rate. Mr. Morales distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2022 water, sewer, and drainage debt service tax rate of \$0.38 per \$100 of assessed valuation, based on the District's initial 2022 certified value of \$471,335,368, plus \$10,814,805 representing 90% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. Mr. Morales and Ms. Andel also discussed and addressed questions regarding the increase in the 2022 certified value. The Board further discussed the District's operation and maintenance tax rate. Following review and discussion, Director Garza moved to: (1) set the public hearing date for September 7, 2022; and (2) authorize the tax assessor/collector to publish notice in the Fort Bend Independent of the District's meeting on September 7, 2022, to set the proposed 2022 total tax rate of \$0.495 per \$100 of assessed valuation. Director Spinks seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Silva presented the bookkeeper's report for the month of July and submitted the bills for payment. A copy of which is attached. She 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.

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

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2023

Ms. Silva reviewed and discussed a draft budget for the fiscal year end September 30, 2023 with the Board, noting she made the revisions she received from consultants after the last Board meeting. Discussion ensued regarding the maintenance tax item, and following discussion, Ms. Silva stated she would revise the maintenance tax item, as discussed, make additional revisions received, request input on the revised draft budget from consultants, and present same for approval at the next Board meeting.

MOWING, MAINTENANCE, AND REPAIR OF DISTRICT DRAINAGE FACILITIES

Mr. Benes presented a report regarding maintenance of the District's drainage facilities, a copy of which is attached.

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.

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.

OTHER ENGINEERING MATTERS

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

EVALUATION OF DISTRICT'S SANITARY SEWER FORCE MAIN

Mr. Chovanec updated the Board on the status of televising the force main to inspect for potential repairs, noting the evaluation is complete and no repairs are recommended to the force main at this time. He also presented and recommended

approval of Pay Estimate No. 2 and Final in the amount of \$2,520.00, payable to Texas Pride Utilities ("Texas Pride"). After review and discussion, Director Spinks moved, based on the engineer's recommendation, to approve Pay Estimate No. 2 and Final payable to Texas Pride. Director Garza seconded the motion, which carried by unanimous vote.

OPERATOR'S REPORT

Ms. Steadman presented the monthly operator's report for July, a copy of which is attached. She reviewed routine maintenance and repairs in the District, as itemized in the report. Ms. Steadman stated the District's water accountability was 95.32% for the previous billing period.

Ms. Steadman updated the Board regarding the status of fire hydrants repairs and the lift pump no. 1 repair at lift station no. 1.

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

Ms. Steadman reported the District is no longer providing water to Fort Bend County MUD No. 41 ("MUD 41") through the interconnect, noting Inframark will review the usage and invoice MUD 41.

Ms. Steadman updated the Board regarding the lift pump no. 3 replacement at lift station no. 1, noted Inframark installed new protection replays at lift station no. 1 and stated updated lift pump information is included in the operator's report.

Ms. Steadman reported Inframark replaced sod near the water line and installed wheels on the gates at the water plant.

Ms. Steadman updated the Board regarding a certain delinquent water and sewer account, noting the customer made a payment but still has a balance remaining on the account.

Director Spinks left the meeting.

Following discussion, Director Garza moved to approve the operator's report. Director Shelby seconded the motion, which carried by unanimous vote.

TERMINATION OF UTILITY SERVICE

Ms. Steadman presented a list of delinquent accounts to the Board. She 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. She 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 Garza 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 Shelby seconded the motion, which carried by unanimous vote.

DROUGHT CONTINGENCY PLAN

The Board discussed the District's Drought Contingency Plan.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") MATTERS

There was no further discussion on this agenda item.

DISTRICT CORRESPONDENCE

Ms. Judkins noted that copies of correspondence from Texas Pride Disposal regarding a request for a price increase and from Acclaim Energy regarding the District's potential participation in an electricity aggregation pool for the period following the District's current electricity contract that expires April 30, 2026 were provided to the Directors. After discussion, the Board concurred to add an item to consider a request for a price increase from Texas Pride to the next agenda and not to obtain an update on the possibility of participating in electricity aggregation at this time.

OPERATOR'S REPORT (CONTINUED)

Ms. Steadman requested the Board consider amending the agreement between the District and Inframark related to fuel surcharges at the next Board meeting.

PHASE II SMALL MS4 GENERAL PERMIT AND STORM WATER MANAGEMENT PLAN

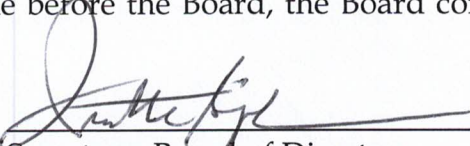
There was no discussion on this matter.

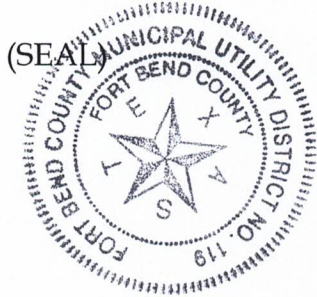
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board did not convene in executive session.

The Board discussed the next meeting date and concurred to meet next on September 7, 2022.

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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