

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 119

September 7, 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 7th day of September, 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 Directors Richardson and Joseph, thus constituting a quorum.

Also attending the meeting were: Alex Schmid of Texas Pride Disposal; Brittnei Silva of Myrtle Cruz, Inc. ("Myrtle Cruz"); Justin Klump of Stormwater Solutions ("SWS"); Rene Anadel 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, Kia Fields, and Tenille Dennis of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board received no public comments.

MINUTES

The Board considered approving the minutes of the August 3, 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 August report on security services in the District, a copy of which is attached, and addressed questions related to same.

Ms. Judkins reviewed an Agreement for Additional Law Enforcement Services (the "Agreement") with Fort Bend County providing for security services by the County Constable's office for the October 1, 2022, to September 30, 2023, period. After

discussion, Director Shelby moved to approve the Agreement. Director Garza seconded the motion, which carried by unanimous vote.

GARBAGE AND RECYCLING COLLECTION MATTERS, INCLUDING CONSIDER RATE ADJUSTMENT REQUEST FROM TEXAS PRIDE

Mr. Schmid presented and reviewed a request from Texas Pride regarding an 11.60% rate adjustment for garbage collection services, a copy of which is attached. He stated the rate would increase from the current rate of \$14.30 to \$15.96 per household per month. Discussion ensued regarding garbage collection services. Mr. Schmid further addressed questions from the Board regarding same. Following review and discussion, Director Garza moved to approve a rate adjustment for garbage collection services from \$14.30 to \$15.96 per household per month, effective September 1, 2022, in lieu of the annual CPI adjustment for 2022. Director Shelby seconded the motion, which passed unanimously.

TAX REPORT

Ms. Andel reviewed the District's monthly tax report for the month of August, a copy of which is attached, reflecting collections of 98.70% of the District's 2021 taxes at the end of August, 2022. Discussion ensued regarding certain delinquent tax accounts on the delinquent tax report.

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

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

Ms. Judkins noted that the Sales and Use Tax Administration Report, dated August 2022, a copy of which is attached, was provided to the Directors.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Andel stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2022 total tax rate of \$0.495 per \$100 of assessed valuation.

Ms. Judkins opened the public hearing. There being no comments from the public, Ms. Judkins closed the public hearing.

The Board discussed the 2022 tax rate and concurred to consider the proposed 2022 total tax rate of \$0.495 per \$100 of assessed valuation, comprised of \$0.38 to pay debt service on water, sewer, and drainage bonds, and \$0.115 for operations and maintenance. Ms. Judkins presented an Order Levying Taxes reflecting the proposed 2022 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Fort Bend County.

After review and discussion, Director Spinks moved to: (1) adopt the Order Levying Taxes reflecting a total 2022 tax rate of \$0.495 per \$100 of assessed valuation, comprised of \$0.38 to pay debt service on water, sewer, and drainage bonds, and \$0.115 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Shelby seconded the motion, which passed by unanimous vote.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2022

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to proceed with preparation of the District's audit report for the fiscal year end September 30, 2022, pursuant to the evergreen engagement letter with McCall. The Board reviewed a letter from McCall, which estimated fees between \$15,000 and \$17,000 for preparation of the audit report, a copy of which is attached. After discussion, Director Shelby moved to authorize McCall to proceed with preparation of the audit report for the fiscal year end September 30, 2022. Director Garza seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Silva presented the bookkeeper's report for the month of August 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 proposed changes, including increasing the

maintenance tax revenue to \$535,000.00, garbage collection expense to \$190,500.00, sewer inspection expense to \$23,000.00, and the smart meter monthly charges expense to \$15,520.00 as well as revising the chemicals expense to \$3,000.00 to correct an error in the proposed budgeted amount. After review and discussion, Director Spinks moved to approve the budget, as revised. Director Shelby second the motion, which carried by unanimous vote.

RESOLUTION ESTABLISHING AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Judkins presented and reviewed a Resolution Establishing Authorized Depository Institutions of the District and Adopting a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Ms. Judkins noted that Myrtle Cruz has provided an updated list of broker/dealers and depository institutions, and Ms. Silva confirmed such list includes all banks where the District maintains deposits or investments. After review and discussion, Director Spinks moved to adopt the Resolution Establishing Authorized Depository Institutions of the District and Adopting a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Director Shelby seconded the motion, which carried unanimously.

MOWING, MAINTENANCE, AND REPAIR OF DISTRICT DRAINAGE FACILITIES

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

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

Mr. Klump updated the Board on the status of the District's Stormwater Management Program ("SWMP"). He further reviewed a summary of the Year 4 training and goals under the SWMP and conducted related training. Mr. Klump stated preliminary approval of the SWMP had been received from the TCEQ, noting the permit certificate is forthcoming. A copy of the written status update and Year 4 training and education information 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, noting he reviewed the preliminary plans received and provided a letter of no objection to the County.

OPERATOR'S REPORT

Ms. Steadman presented the monthly operator's report for August, 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 94.58% for the previous billing period.

Ms. Steadman updated the Board regarding the status of fire hydrants repairs and replacement.

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

Ms. Steadman reported Inframark plans to invoice Fort Bend County MUD No. 41 ("MUD 41") for their use of the interconnect.

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

DROUGHT CONTINGENCY PLAN

The Board discussed the District's Drought Contingency Plan.

AMENDMENT TO AMENDED AND RESTATED PROFESSIONAL SERVICE AGREEMENT WITH INFRAMARK, LLC

At Ms. Steadman's request, this item was deferred.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") MATTERS

Ms. Judkins noted that copies of correspondence from the NFBWA regarding guidance for referencing the NFBWA on water bills as well as the NFBWA's proposed 2023 fees were provided to the Directors. Discussion ensued.

The Board further discussed the District's initiatives included in the Water Provider Conservation Program.

DISTRICT CORRESPONDENCE

There was no further discussion on this agenda item.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed a Resolution Regarding Annual Review of District's Investment Policy, providing that the Board conducted its annual review of the District's Investment Policy and confirming that the November 1, 2017, Investment Policy remains in effect. After discussion, Director Shelby moved to adopt the Resolution Regarding Annual Review of District's Investment Policy. Director Garza seconded the motion, which carried by unanimous vote.

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 October 5, 2022.

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


Secretary, Board of Directors

(SEAL)



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