

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 119

September 6, 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 6th day of September, 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: Loren Morales of RBC Capital Markets ("RBC"); Corporal Salman Ghaffar and Lieutenant Marco Scott 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"); 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 August 2, 2023, meeting. After discussion, Director Spinks moved to approve the minutes, as presented. Director Joseph seconded the motion, which carried by unanimous vote.

SECURITY SERVICES

Corporal Ghaffar introduced Lieutenant Scott to the District. Corporal Ghaffar then discussed the August report on security services in the District, a copy of which is attached.

Ms. Judkins updated the Board regarding the interlocal agreement for additional security services for the next term, noting the District has not yet received the proposed

agreement from Fort Bend County (the "County"). The Board then discussed a budget proposal received from the County related to the proposed agreement.

TAX REPORT

Ms. Anzel reviewed the District's monthly tax report for the month of August, reflecting collections of 98.78% of the District's 2022 taxes at the end of August, 2023.

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.

Ms. Judkins noted that the Sales and Use Tax Administration Report, dated August 2023, 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. Anzel stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2023 total tax rate of \$0.45 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 2023 tax rate and concurred to consider the proposed 2023 total tax rate of \$0.45 per \$100 of assessed valuation, comprised of \$0.30 to pay debt service on water, sewer, and drainage bonds, and \$0.15 for operations and maintenance. Ms. Judkins presented an Order Levying Taxes reflecting the proposed 2023 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 Shelby moved to: (1) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.45 per \$100 of assessed valuation, comprised of \$0.30 to pay debt service on water, sewer, and drainage bonds, and \$0.15 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 Joseph seconded the motion, which passed by unanimous vote.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2023

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, 2023, pursuant to the evergreen engagement letter with McCall. The Board reviewed a letter from McCall, which estimated fees between \$16,250 and \$17,250 for preparation of the audit report, a copy of which is attached. After discussion, Director Spinks moved to authorize McCall to proceed with preparation of the audit report for the fiscal year end September 30, 2023. Director Shelby seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Davis presented the bookkeeper’s report for the month of August and submitted the bills for payment. A copy of the bookkeeper’s report is 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.

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.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

Mr. Davis reviewed and discussed a draft budget for the fiscal year end September 30, 2024 with the Board. Discussion ensued, including discussion regarding proposed changes to the draft budget. After review and discussion, Director Spinks moved to approve the budget, as revised. Director Joseph 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 Mr. Davis 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 Joseph seconded the motion, which carried unanimously.

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 then presented and reviewed a proposal to revise the schedule and pricing for the maintenance services provided by SWS pursuant to its Service Agreement with the District (the "Maintenance Proposal"). She noted the proposal would increase the annual budget for regular maintenance services from \$106,060.00 to \$116,610.00. Ms. Judkins noted that the Maintenance Proposal, if approved, would be added to the Service Agreement as an additional exhibit and recommended that ABHR review the form of the Maintenance Proposal in light of same. Following review and discussion, Director Shelby moved to approve Maintenance Proposal, subject to ABHR's approval of the form of same. Director Spinks 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 also updated the Board regarding plans Benchmark reviewed for a proposed commercial business in the District.

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 August, 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 92.07% for the previous billing period.

Mr. Davila reported the repair of booster pump no. 4 at the water plant has been completed.

Mr. Davila updated the Board regarding the status of the manhole survey.

Following discussion, Director Spinks moved to approve the operator's report. 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 his 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

The Board reviewed a notice from the NFBWA regarding Stage 1 of its Drought Contingency Plan being triggered due to current climate and weather conditions in the region. Discussion ensued, including discussion regarding the District's Drought Contingency Plan. Mr. Davila confirmed that Inframark implemented Stage 1 of the District's Drought Contingency Plan requesting voluntary water conservation and notified District residents regarding same by placing signs in the District and sending a notice via Touchstone's electronic messaging system.

Ms. Judkins presented a notice from the NFBWA anticipating no change in the NFBWA's Surface Water Fee and Groundwater Reduction Plan Fee for 2024.

Copies of both notices are attached.

DISTRICT CORRESPONDENCE

There was no discussion on this matter.

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.

ANNUAL REVIEW OF INVESTMENT POLICY

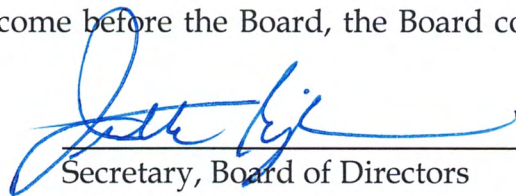
The Board reviewed a Resolution Regarding Annual Review of District's Investment Policy, providing that the Board conducted its annual review of the District's Investment Policy and confirming that the November 1, 2017, Investment Policy remains in effect. After discussion, Director Shelby moved to adopt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

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 October 4, 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

	Minutes
	<u>Page</u>
Security services report	1
Tax report	2
Sales and Use Tax Administration Report, dated August 2023	2
Letter from McCall providing estimated fees for 2023 audit preparation.....	3
Bookkeeper’s report.....	3
Drainage facilities maintenance report.....	4
Engineer’s report.....	4
Operator’s report.....	4
Notices from the North Fort Bend Water Authority regarding Stage 1 of its Drought Contingency Plan and no anticipated change to its fees for 2024.....	5