

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 147

September 8, 2021

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 147 (the "District") met in regular session, open to the public, on the 8th day of September, 2021, at 777 North Eldridge Parkway, Suite 500, Houston, Texas 77079 outside the boundaries of the District, and the roll was called of the members of the Board:

David E. Bugyi	President
Kay L. Pugh	Vice President
Mary L. Purzer	Secretary
Michelle Miller	Assistant Secretary
Vacant	Assistant Vice President

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

Also present at the meeting was Jolie Craft of Vogler & Spencer Engineering, Inc. ("V&S").

Due to the COVID-19 virus epidemic emergency and the high threat level warnings issued by various governments and agencies, the District established a telephone option for members of the public to listen to the meeting and to address the Board.

On the telephone were Spencer Day of Masterson Advisors, LLC ("Masterson"); Sherri Greenwood of BKD, LLP ("BKD"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Stephanie Viator of District Data Services, Inc. ("District Data"); Clay Brandenburg of Inframark Water & Infrastructure Services ("Inframark"); and Whitney Higgins and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the August 11, 2021, regular meeting and the minutes of the August 9, 2021, special meeting. After review and discussion, Director Pugh moved to approve the minutes of the August 11, 2021, regular meeting and the minutes of the August 9, 2021, special meeting, as submitted. Director Miller seconded the motion, which passed unanimously, with Director Purzer absent for the vote.

COMMENTS FROM THE PUBLIC

Director Bugyi offered any members of the public attending the meeting in person or by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Bugyi moved to the next agenda item.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2021

Ms. Greenwood reviewed an engagement letter from BKD, to perform the District's audit for the fiscal year ending September 30, 2021. After review and discussion, Director Pugh moved to engage BKD to conduct the audit for the fiscal year ending September 30, 2021, authorize execution of the engagement letter, and direct that the letter be filed appropriately and retained in the District's official records. Director Miller seconded the motion, which passed unanimously, with Director Purzer absent from the vote.

FINANCIAL AND BOOKKEEPING MATTERS

Director Purzer joined the meeting.

Ms. Viator reviewed the bookkeeper's report, including the District's investments, a budget comparison, and a list of checks presented for approval, a copy of which is attached.

Ms. Viator then reviewed a proposed budget for the fiscal year ending September 30, 2022, a copy of which is included in the bookkeeper's report. Discussion ensued, and the Board concurred to table action until later in the meeting.

Following review and discussion, Director Pugh moved to approve the bookkeeper's report and authorize payment of the District's bills. Director Purzer seconded the motion, which passed unanimously.

The Board then discussed the Chelford City Regional Wastewater Treatment Plant ("CCRWTP") budget for fiscal year end September 30, 2022. Discussion ensued. Following review and discussion, Director Bugyi moved to approve the proposed budget for the CCRWTP. Director Pugh seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez reviewed the tax assessor/collector's report, including the list of top delinquent taxpayers, a copy of which is attached. After review and discussion, Director Miller moved to approve the tax assessor/collector's report and payment of the tax bills. Director Pugh seconded the motion, which passed unanimously.

TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202, GOVERNMENT CODE, AND RELATED CONTRACT AMENDMENT

Ms. Higgins discussed recent legislation enacting Section 2051.202, Texas Government Code, which requires certain special purpose districts to post or cause to be posted additional information on a website maintained by or accessible to the District. She said the new requirements apply to districts that levy a property tax, are

required to prepare an annual audit, and have a population of 500 or more as of the beginning of the most recent fiscal year. Ms. Higgins reviewed a summary of the new requirements, a copy of which is attached.

The Board discussed the applicability of the new posting requirements to the District and the possibility of expanding the website used by the District for compliance with previously-enacted transparency requirements. Ms. Rodriguez discussed the services currently provided by BLI to implement existing transparency requirements, including ensuring that information posted on the website is accurate and current. She presented a proposed amendment to the District's contract with BLI to incorporate the new posting requirements on the existing website. Discussion ensued.

After review and discussion, Director Pugh moved to approve the amendment to the contract between the District and BLI as presented and direct that the amendment be filed appropriately and retained in the District's official records. Director Purzer seconded the motion, which passed unanimously.

REPORT ON LIST OF COMMERCIAL BUSINESSES WITHIN THE DISTRICT

Ms. Rodriguez updated the Board on commercial businesses within the District.

SALE OF SERIES B GROUNDWATER CREDITS

Ms. Higgins reported that no inquiries were received regarding the sale of Series B groundwater credits.

OPERATION OF DISTRICT FACILITIES; HEARING ON TERMINATION OF WATER AND SEWER SERVICE

The Board reviewed the operator's report, a copy of which is attached, including the status of District maintenance and repair items.

The Board discussed the recoating of the ground storage and hydropneumatic tanks.

The Board discussed high utility users for the month. Discussion ensued. The Board then considered terminating utility service to customers with delinquent accounts. Mr. Brandenburg reviewed a list of delinquent customers and noted the customers appearing on the termination list were given proper notice and an opportunity to explain, contest, or correct the utility service bills and show reason why utility service should not be terminated for reason of nonpayment, all as required by the District's Rate Order.

The Board discussed the message on the monthly utility bill. Mr. Brandenburg stated that the notice regarding sewer line improvements is currently on the utility bill. The Board concurred to remove the message regarding sewer line improvements and to add information regarding water conservation.

Following review and discussion, Director Pugh moved to (1) approve the operator's report; and (2) authorize termination of service to the delinquent accounts presented if payment is not received prior to scheduled termination since none of the residents on the termination list either attended the meeting by telephone or had presented any statement on the matter, in accordance with procedures set forth in the District's Rate Order. Director Miller seconded the motion, which passed unanimously.

DISCUSS EMERGENCY MESSAGING SYSTEM, AND AUTHORIZE ACTION, IF NECESSARY

There was no discussion on this item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this item.

ENGINEER'S REPORT

The Board then reviewed the engineer's report, a copy of which is attached.

Ms. Craft updated the Board on the status of CCRWTP operations and maintenance, including the utilization of fat, oil, and grease bacteria ("FOG bacteria") in the CCRWTP system.

Ms. Craft stated the developer's engineer has completed the plans for the public sanitary sewer line extension for the proposed office/warehouse off of Westpark Drive. She stated that V&S has received the public plans showing the extension of the sewer line along Westpark Drive and they are currently under review.

Ms. Craft updated the Board regarding the recoating of the ground storage and hydropneumatic tanks and reviewed and recommended approval of Pay Estimate No. 4 and Final in the amount of \$14,269.00 payable to D&M Tank, LLC. Ms. Craft also presented a Certificate of Completion and Acceptance and recommended the Board accept the project. Following review and discussion, Director Pugh moved based on the engineer's recommendation, to approve Pay Estimate No. 4 and Final in the amount of \$14,269.00, and to accept the project, subject to final review. Director Purzer seconded the motion, which passed unanimously.

Ms. Craft reported on Harris County Municipal Utility District No. 120 matters.

Ms. Craft updated the Board on the status of a Notice of Violation from the Texas Commission on Environmental Quality ("TCEQ"). She reported that V&S has submitted the request for an exception regarding inadequate documentation to the TCEQ.

Ms. Craft stated that the next GIS system update will be released today.

Ms Craft updated the Board regarding the Phase Three sanitary sewer rehabilitation and reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$19,035.00, payable to T. Gray Utility & Rehab Co. ("T. Gray"). Following review and discussion, Director Pugh moved based on the engineer's recommendation, to approved Pay Estimate No. 2 in the amount of \$19,035.00. Director Purzer seconded the motion, which passed unanimously.

Ms. Craft reported the lift station requires recoating and requested the Board authorize her to advertise for bids. Discussion ensued. Following review and discussion, Director Pugh moved to (1) approve the engineer's report; and (2) to authorize the engineer to advertise for bids for the lift station recoating. Director Purzer seconded this motion, which passed unanimously.

Ms. Craft reviewed and recommended approval of Change Order No. 2 to the contract with T. Gray for the Phase Three sanitary sewer rehabilitation to increase the contract in the amount of \$600.00. The Board determined that Change Order No. 2 is beneficial to the District. Following review and discussion, Director Purzer moved to approve Change Order No. 2 in the amount up to \$600.00, as an increase to the contract with T. Gray, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Pugh seconded the motion which passed 3-1, with Director Bugyi voting against the motion.

DISCUSS 2021 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2021 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2021 tax rate. Ms. Higgins discussed the "truth-in-taxation" property tax calculations and 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 each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

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 2021 tax year.

Mr. Day distributed and reviewed a tax rate analysis reflecting the recommendation for the District to levy a 2021 maintenance and operations tax rate of \$0.5157 per \$100 of assessed valuation, based on the District's initial 2021 certified value of \$150,222,407. A copy of the tax rate analysis is attached. Discussion ensued. Ms. Higgins discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Pugh moved to (1) adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developed district for the 2021 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; (2) set the public hearing date for October 13, 2021; and (3) authorize the tax assessor/collector to publish notice in the Memorial Examiner of the District's meeting on October 13, 2021, to set the proposed 2021 total tax rate of \$0.5157 per \$100 of assessed valuation. Director Bugyi seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS (CONT'D)

The Board continued discussing the proposed budget for the fiscal year ending September 30, 2022, a copy of which is included in the bookkeeper's report. Discussion ensued regarding specific line items in the budget. After review and discussion, Director Bugyi moved to adopt the budget for the fiscal year ending September 30, 2022, as discussed. Director Pugh seconded the motion, which passed unanimously.

MAINTENANCE OF PARK AND RECREATIONAL FACILITIES, INCLUDING REFLECTION PARK

Director Bugyi stated that he will begin working on obtaining proposals for maintenance of Reflection Park.

ATTORNEY'S REPORT

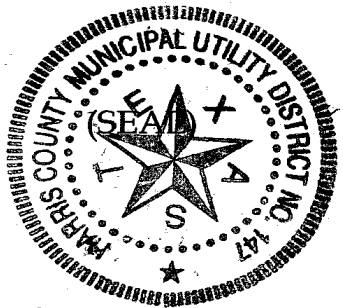
The Board discussed the resumption of in-person meetings. After discussion, the board concurred to hold the next regular board meeting October 13, 2021, at their regular meeting location and to offer a supplemental dial-in option.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS REGARDING CORRESPONDENCE AND/OR REPORTS RECEIVED DURING THE MONTH

There was no discussion on this item.

There being no further business to come before the Board, the meeting was adjourned by agreement.

/s/ Mary Purzer
Secretary, Board of Directors



ACTION LIST

1. Director Bugyi will begin obtaining proposals for maintenance of Reflection Park.

LIST OF ATTACHMENTS TO MINUTES

	Page <u>No.</u>
Bookkeeper's report.....	2
Tax assessor/collector's report	2
Summary of website requirements.....	3
Operator's report.....	3
Engineer's Report	4
Tax rate analysis	5