

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors
September 20, 2021

A meeting of the Board of Directors (“Board”) of Harris County Municipal Utility District No. 155 (“District”) was held on September 20, 2021 at Workplace Suites, 16517 Longenbaugh Drive, Houston, Texas, in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Margaret K. Dawson, President
Jim Denmon, Vice President
Clint Wilhelm, Secretary
Corey Manahan, Director
Barbara Scott, Director

and the following absent:

None.

Also present were Ms. Diane Bailey, District bookkeeper; Ms. Debbie Arellano, tax assessor-collector for the District; Mr. Loren Morales, District financial advisor; Mr. John Taylor, District operator; Mr. John Gerdes, District engineer; Mr. Pat Burke and Mr. Jeff Penney, representing Harris County MUDs No. 172 and No. 156, respectively; and Ms. Melissa J. Parks, attorney for the District.

The President called the meeting to order and declared it open for such business as might come before it.

1. The Board considered the following items from the consent agenda:

Tax assessor-collector report including invoices and a schedule of delinquent taxes. Tax collections for 2020 are 96.62%, and 2020 taxable value in the District is \$165,667,500.

Minutes of the Board of Directors meeting held August 16, 2021.

After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the items on the consent agenda, including checks as reflected on the tax assessor-collector’s report.

2. The Board opened the meeting for public comment. Mr. Burke of Harris County MUD No. 172 asked to be provided with the electronic meeting packet prior to the Board meeting, and the Board agreed to accommodate this request. Mr. Penney introduced himself and stated he was present on behalf Harris County MUD No. 156 and noted he had previously lived within the District for over 10 years.

3. Diane Bailey presented the bookkeeper's report, a copy of which is attached hereto, and reviewed invoices, a schedule of investments and an investment report. The Board reviewed activity in the joint sewage treatment plant and joint water plant accounts, noting the balances appeared to be below operating reserves. The Board asked Ms. Bailey to provide detailed information next month and Ms. Parks to review the provisions in the respective contracts about replenishment of such reserves. Finally, the Board reviewed the operating budget comparison reports for the District's General Fund account and the joint water and sewer plant accounts reflecting activity during the entire fiscal year ended August 31, 2021. Copies of the adopted joint budgets were provided to the respective participating entities. After further discussion, upon motion by Director Denmon, seconded by Director Scott, the Board approved the bookkeeper's report as presented and authorized release of checks reflected in the report.

4. The Board recognized Mr. Morales, the District's financial advisor, who presented a cash flow analysis and recommendation with respect to the District's 2021 tax rate. The Board reviewed the analysis and recommendation, as well as the 2021 voter-approval tax rate worksheet. The Board considered the attached Resolution Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, Calling Public Hearing on 2021 Tax Rate, and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing. After discussion, upon unanimous vote, the Board found that the District is a developed district under Texas Water Code §49.23602 and adopted the attached Resolution so stating. The Board also authorized publication of a notice of public hearing at which the Board will consider adoption of a total 2021 tax rate of \$0.79 per \$100 assessed valuation, which the Board noted consists of a debt service tax of \$0.09 and a maintenance tax of \$0.70. The attorney noted that after considering a proposed tax rate, the District must update the internet posting required by Tax Code §26.18 and Government Code §2051.202. Upon unanimous vote, the Board authorized posting the required materials in compliance with these laws.

5. Mr. Taylor presented the operations report, copy attached, reflecting 825 total connections and 2 vacancies. Water accountability during the reporting period was 93%, and the sewage treatment plant had operated at 42% of permitted capacity. Mr. Taylor presented no accounts deemed uncollectable for referral to a collection agency used by the District. He then submitted a list of 31 delinquent accounts to the Board for termination of utility service and stated that these customers had been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain or request correction of the charges, services or disconnection. The affected customers were not in attendance, nor had anyone on their behalf contacted the operator's office or the District in response to the notification. After discussion, upon motion duly made, seconded and unanimously carried, the Board authorized the operator to proceed with termination of utility service to said accounts pursuant to provisions of the District's Rate Order.

Mr. Taylor reported on the addition of electrical service near the belt press. He next reported that the blower had arrived at the smaller sewage treatment plant but was not yet installed, and the wiring and control panel are being built. Next, Mr. Taylor reported that the forecasted tropical storm Nicholas had stayed well south of the Houston area and had no effect on District facilities. Mr. Taylor then discussed the manhole survey. It was still the case that nine manholes remained to be found, but it was believed they may be located under sheds or decks. The operators could locate and work on these manholes if a manhole upstream or downstream is accessible. The operators had estimated a total cost of \$72,000 to make the necessary repairs, plus time and materials. The operators were willing to make repairs as ordered or prioritized by the Board. Mr. Taylor had forwarded the complete survey to Director Wilhelm earlier today. The Board requested Director Wilhelm review the report and coordinate with Mr. Taylor on prioritizing and timing the work. Finally, the Board discussed the condition of the ground storage tank coating and asked the operator to pressure wash it or apply an algaecide. After further discussion, upon motion by Director Wilhelm, seconded by Director Scott, the Board voted unanimously to approve the operator's report as presented.

6. Mr. Gerdes presented the engineer's report, copy attached. Jordan Concrete, Inc. has been given three weeks to finish remaining cleanup items before the remaining retainage will be paid to it for the Brookside Court detention pond storm pipe, sidewalk, and pavement projects. R. Slater Enterprise LLC will now begin work on removal of

the old fence and gate and installation of a wrought-iron fence and gate, as the homeowners association has executed the fence maintenance agreement.

The engineers have forwarded to Harris County No. 156 the contract documents with JACH Controls and Automation for electrical work at the water plant.

Mr. Gerdes reported that the engineers have prepared bid documents after completion of the inspections at the small plant at the joint sewage treatment plant. A cost estimate is being reviewed and the scope of work being narrowed so that the capital improvement plan for the joint plant can be revised and updated, the other participants informed, and the projects submitted for public bidding. Mr. Gerdes roughly estimated a cost of \$400,000 for rehabilitation work and stated that this will be discussed with all plant participants at the upcoming joint plant meeting.

Mr. Gerdes then discussed repair of the fence at 7938 Millbrook Lane. As discussed last month, the Board agreed this repair should be incorporated as part of the larger Phase 2 Backslope Interceptor and Fence Replacement along Horsepen Creek. The Board might consider making this repair prior to the Phase 2 project but expected costs would be unreasonably high. As a first step the engineers have contacted CenterPoint Energy to request a work order for trimming the existing trees from around power lines in this area.

Mr. Gerdes reported to the Board on a request by Harris County MUD No. 156 for an inspection of the joint water plant. It was learned the request was made in connection with water accountability issues experienced by No. 156. The Board requested Mr. Taylor to review District records for information on the most recent inspections of the interiors of the ground storage and hydropneumatic tanks and the schedule for the next periodic inspections. This information can be provided to No. 156 and that district is welcome to review the records and attend the next inspections. The District will provide any records requested by No. 156 and can meet 156's operator or engineer at the plant for a walk-through. After discussion, the Board approved the engineer's report.

7. The Board discussed Harris County MUD No. 172's project to clean the channel between Brookside Court and Birkes Elementary. It was reported that the project had been completed.

8. The Board considered a Resolution Establishing Additional Meeting Places Outside District Boundaries. Several locations were mentioned, but the Board declined to take action at this time.

9. The Board considered an annual review of District interconnect agreements. Ms. Parks distributed a report summarizing the terms of the various contracts. It was noted the agreement with Harris County MUD No. 163 would expire in 2025 but the terms of the other agreements extended to 2032 and beyond. The Board briefly addressed the in-kind payment owed by No. 163 and asked the operator to provide an update.

10. The Board spoke by speaker phone with Mr. Michael Smith, who reported on landscape maintenance. Regular maintenance is on schedule, and Mr. Smith noted that the new trash can and bench should be installed by early October. The irrigation system is working well, and there is a rain sensor on the controller.

11. It was noted that the Association of Water Board Directors was conducting another election to amend its bylaws, and after discussion, the Board authorized the District's voting member to cast the District's ballot in favor of amendment.

12. The Board considered pending business, including the next quarterly meeting of joint sewage treatment plant participants. After discussion, the Board agreed to hold this meeting on October 18 at 2:00 p.m., in person at the plant.

13. There was no need to conduct an executive session.

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



Secretary

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155
NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **Workspace Suites, 16517 Longenbaugh Drive, Houston, Texas 77095**. The meeting will be held at **6:00 p.m. on Monday, October 18, 2021**.

The subject of the meeting is to consider and act on the following:

CONSENT AGENDA: The following items are considered routine by the Board and will be enacted by one motion if appropriate. No separate discussion will occur on these items unless a Board member or member of the public so requests, in which event, the item will be considered on the Regular Agenda.

1. Tax assessor-collector's report and payment of invoices
2. Approve minutes of meeting held on September 20, 2021

REGULAR AGENDA: Consideration of and action on the following items, plus any items removed from the Consent Agenda.

1. Presentation of public comments
2. Bookkeeper's report and payment of invoices; review and approve investment report
3. Operating reserves in joint water and sewer plant accounts; authorize action, as necessary
4. Public Hearing on Proposed 2021 Tax Rate
5. Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax and Maintenance and Operation Tax for the Year 2021
6. Amendment to Statement of Directors; update of internet postings
7. Operator's report; review active connections and water accountability; status of operation, maintenance, and repair of District facilities; consider customer appeals; approve termination of service on delinquent accounts; status of manhole repairs
8. Installation of additional streetlights along Queenston and Park Falls
9. Engineer's report, including:
 - a. Brookside Court storm pipe replacement, sidewalk/pavement work, fencing;
 - b. identification of work at Regional Sewage Treatment Plant plants #1 and #2 and cost estimates for such work; revised Capital Improvement Plan;
 - c. status of contract for electrical work at water plant;
 - d. backslope interceptor and fence replacement;
 - e. authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders.
10. Report from Michael's Maintenance

11. Pending business, including comments from/discussion with other participants in regional facilities and summary of quarterly participant meeting
12. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071
13. Reconvene in Open Session and act on matters discussed in Executive Session, as necessary



A handwritten signature in blue ink that reads "Melissa J. Parks".

Melissa J. Parks
Attorney for the District

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Resolution (1) Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, (2) Calling Public Hearing on 2021 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 155 (the “District”) met at Workspace Suites, 16517 Longenbaugh Drive, Houston, Texas, on September 20, 2021, with a quorum of directors present, as follows:

Margaret K. Dawson, President
Jim Denmon, Vice President
Clint Wilhelm, Secretary
Corey Manahan, Director
Barbara Scott, Director

and the following absent:

None

when the following business was transacted:

WHEREAS, before the Board adopts an annual ad valorem tax rate for the District, the Board is required to give notice pursuant to § 49.236 of the Texas Water Code (“Code”) of each meeting at which adoption of the tax rate will be considered (“Notice of Public Hearing”), and

WHEREAS, the language required to be included in the Notice of Public Hearing varies based on whether the District is a low tax rate, developed or developing district, as those terms are described in §§ 49.23601, 49.23602, and 49.23603 of the Code, and therefore the Board must determine which of these types of districts the District is, and

WHEREAS, the District must further determine as appropriate under §§ 49.23601, 49.23602, or 49.23603 of the Code the voter-approval tax rate, mandatory tax election rate and unused increment rate and call a public hearing to consider a proposed tax rate for 2021.

NOW, THEREFORE, be it resolved by the Board of Directors of the District as follows:

I.

All of the facts recited in the preamble of this Resolution are hereby found and declared to be true and correct.

II.

For purposes of adopting an ad valorem District tax rate for 2021, the Board of Directors of the District hereby finds and determines that the District is the type of district as indicated below:

- Low Tax Rate District (Texas Water Code § 49.23601)
- Developing District (Texas Water Code § 49.23603)
- Developed District (Texas Water Code § 49.23602)
- Developed District in a Declared Disaster Area
(Texas Water Code §49.23602 (d))

III.

The District designates and directs its tax assessor-collector to prepare and calculate the voter-approval tax rate, mandatory tax election rate and unused increment rate as appropriate and required under §§ 49.23601, 49.23602, or 49.23603 of the Code according to the type of district the Board has determined the District to be.

IV.

The Board of Directors of the District hereby calls a public hearing to consider a proposed 2021 ad valorem tax rate at the Board's next regular meeting on October 18, 2021 at 6:00 p.m.

V.

The District hereby authorizes and directs its tax assessor-collector to prepare a Notice of Public Hearing and include therein the appropriate language as required under § 49.236 of the

Code according to the type of district the Board has found the District to be. The tax assessor-collector is further authorized and directed to publish the Notice of Public Hearing in the time and manner required by § 49.236 of the Code.

VI.

If the District is a Developed District in a Declared Disaster Area, the District directs its tax assessor-collector to calculate the District's voter-approval tax rate under § 49.23601(a) of the Code and prepare and publish the Notice of Public Hearing under § 49.236 (a) (3) (A) of the Code. The District shall by separate action determine whether an election is required to approve the adopted tax rate in the manner provided under §49.23601 (c) of the Code.


VII.

The President or Vice President is authorized to execute and the Secretary or Secretary Pro Tempore to attest this Resolution on behalf of the Board and the District, and to do any and all things appropriate or necessary to give effect to the intent hereof.



President

ATTEST:



Secretary

