

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors
January 17, 2022

A meeting of the Board of Directors ("Board") of Harris County Municipal Utility District No. 155 ("District") was held on January 17, 2022 at Workspace 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
Corey Manahan, Director
Barbara Scott, Director

and the following absent:

Clint Wilhelm, Secretary.

Also present were Ms. Debbie Arellano, tax assessor-collector for the District; Mr. John Gerdes, District engineer; Ms. Diane Bailey, District bookkeeper; Mr. John Taylor, District operator; 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. In the absence of the Secretary, the Board appointed Director Scott as Secretary Pro Tempore and authorized her to sign these minutes as well as documents adopted or approved at this meeting.

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

Minutes of the Board of Directors meeting held December 20, 2021.

Tax assessor-collector's report including invoices and a schedule of delinquent taxes. Tax collections for 2020 are at 99.24%, and 2021 taxes are 73.348% collected. The certified value for 2021 is \$176,194,431.

Bookkeeper's report, a copy of which is attached hereto, including invoices, a schedule of investments and an investment report.

After discussion by the Board, upon motion by Director Scott, seconded by Director Manahan, the Board voted unanimously to approve the items on the consent agenda, including checks as reflected on the tax assessor-collector's report and bookkeeper's reports.

2. The Board opened the meeting for public comment. Mr. Pat Burke of Harris County MUD No. 172 reported that Jerry Stenberg had resigned from that district's Board as he was moving out of state.

3. It was reported to the meeting that under the provisions of Texas Tax Code §11.13(n), the District may exempt from ad valorem taxation by its own action up to 20% of the market value of each residence homestead owned by an individual and taxable by the District, but not producing an exemption of less than \$5,000 when such percentage is applied to a particular homestead. The Board discussed adoption of the exemption by the District and thereafter, upon motion by Director Manahan, seconded by Director Scott, the Board voted unanimously to adopt the attached Order providing for a homestead exemption in the amount of 20% of the market value of residence homesteads for the year 2022. The Board considered adoption of a homestead exemption for persons 65 years or age or older or disabled, but agreed that more information was necessary before a decision could be made on the matter and requested an analysis by the District's financial advisor for review next month.

4. It appeared that an election of directors should be called for and within the District on Saturday, May 7, 2022. The attached Order calling such election was presented and reviewed by the Board of Directors. Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the Order which is attached to these minutes. The attorneys were instructed to handle the mechanics of the election.

5. Mr. Taylor presented the operations report, copy attached, reflecting 825 total connections and 3 vacancies. Water accountability during the month was 93%, and the sewage treatment plant had operated at 37% of permitted capacity. Mr. Taylor reported that

during the month the District had provided water to Harris County MUD No. 163. Regarding the Board's pending request for details on how the District billed No. 163 for water previously provided, Mr. Taylor had recently forwarded the District's bookkeeper a breakdown of amounts provided over the last 24 months. The bookkeeper will review this information and discuss it next month, especially regarding the Board's request for information on how No. 163 was billed for West Harris County Regional Water Authority fees paid by the District.

Mr. Taylor submitted a list of 28 delinquent accounts to the Board for termination of utility service. He 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. There were no uncollectable accounts eligible for write off and sending to a collection agency.

Mr. Taylor reported that work to repair a leak at a storm sewer outfall along Longenbaugh was almost finished, and the District's engineer was working on as-built drawings as required by the County. Mr. Taylor next addressed work on sanitary sewer manholes and presented a written report showing the status of repairs. This work is being done to among other things reduce inflow and infiltration into the sanitary sewer collection system. Two crews are working on this project and making good progress. The Board asked Mr. Taylor about the use of magnesium oxide at the sewage treatment plant and he explained that the chemical is used to increase alkalinity in connection with the District's receipt of surface water. Use of this chemical buffers the pH levels and helps keep the plant from an upset. The Board asked if less of this chemical could be used in order to reduce District expenditures, and Mr. Taylor stated the operators would look into it but that any adjustments would need to be made carefully. The Board was then informed that the recent meeting of participants in the joint sewage treatment plant had been good. Mr. Taylor requested Board authorization to repair an out-of-service fire hydrant at 16111 Kintyre and estimated a repair price at or below \$5,000. After discussion, the Board authorized the repair as long as the cost did not exceed the estimate. This repair had been

found necessary in connection with the annual inspection of District fire hydrants, and to that end Mr. Taylor discussed repainting of the hydrants. He mentioned problems with obtaining paint due to supply chain issues, so the Board agreed repainting should be delayed. The Board requested information on the number of fire hydrants in the District and agreed to discuss the matter again when prompted by Mr. Taylor. After further discussion, upon motion by Director Denmon, seconded by Director Scott, the Board voted unanimously to approve operator's report as presented.

6. Further regarding operating matters, Mr. Taylor stated Municipal Operations and Consulting was seeking an amendment of its contract with the District to increase its pricing by 1%. He reviewed the requested changes, noting this was the first increase since the District hired the company in 2019. He confirmed the company is requesting a price increase of all of its clients, not just the District. After discussion, the Board agreed the request was reasonable and to take action to approve it at the next meeting when an item for consideration of this action appeared on the agenda.

7. Mr. Gerdes presented an engineer's report, copy attached, and confirmed that the meeting of regional plant participants had gone well. He then discussed rehabilitation of the small plant and noted that the project had been advertised for bids. Only one bid had been received, so the engineers had contacted additional bidders and revised the bid date to January 25. When the bids are received, Mr. Gerdes will tabulate them and distribute the information to all plant participants.

Mr. Gerdes discussed the contract with JACH Controls & Automation and confirmed that the contractor still awaited some materials and would begin work as soon as the materials are received. This work should take no longer than one week.

Mr. Gerdes discussed the emergency fence repair at 7938 Millbrook Lane. The engineer had communicated further with the District's insurance adjuster, as the amount the adjuster had indicated the policy would cover was far below the estimated repair or replacement costs obtained by the engineer. The Board was dissatisfied with the apparent lack of coverage and requested further communication not only with the adjuster but also with the District's insurance agent to seek assistance. Mr. Gerdes then discussed additional ways to repair the fence,

including using an alternative to galvanized posts. Due to the length of time since the fence had been damaged, the Board unanimously authorized the engineer to proceed with repair pursuant to the lowest bid the engineer had already obtained, allowing for a change in the material and/or design of the posts. The Board also unanimously authorized removal of trees as necessary in connection with this repair. After further discussion of the engineer's report, upon motion by Director Manahan, seconded by Director Scott, the Board approved the report as presented.

8. The Board discussed the status of an application to the Texas Commission on Environmental Quality for use of surplus funds for the backslope drainage swale, fencing and storm pipe projects collectively amounting to approximately \$446,000. Ms. Parks stated that her office was working with the District's bookkeeper and engineers to obtain materials necessary to accompany the application. After discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the attached Resolution for approval of use of surplus construction funds and authorized its submission to TCEQ.

9. The Board discussed a memorandum from the West Harris County Regional Water Authority regarding its 2021 water usage reporting form. The operators would complete this form on behalf of the District and submit it to the Authority. The District is located in Authority Precinct 7 represented by Gary Struzik whose term of office lasts until May, 2024. That being the case, entities in Precinct 7 will not participate in this year's election of Authority directors. With regard to fees charged by the Authority, the Board expressed a desire to review and to the extent necessary amend its emergency water interconnect agreements with Harris County MUDs No. 163, No. 172, and No. 173 to provide for invoicing of Authority fees for all emergency water provided, whether subject to a purchase rate or repayment in kind. Ms. Parks will place an item on next month's agenda for this purpose.

10. The Board discussed landscape maintenance performed by Michael's Maintenance Service LLC during the month. Michael Smith was absent, but Director Dawson stated she had spoken with him and he indicated that the bench and trash can should be shipped on February 1. The Board agreed to wait until spring to discuss replacement of trees.

11. The Board considered pending business and specifically discussed the District's 2021 audit. The Board directed that the amount expended on repairs to the blower at

the sewage treatment plant (some \$48,500) be listed as a capital asset in the District's records. Ms. Parks reported that invoicing for the update of operating reserves had been forwarded to all participants in the joint water and sewer plants.

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


Secretary