

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Board of Directors Meeting December 20, 2021

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 149 (the "District") met in regular session, open to the public on December 20, 2021, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

John R. VanDyke, President
Stefanie Cline, Vice President
Margaret Petry, Secretary
Terrence Stephens, Assistant Secretary
Randall Kallus, Assistant Secretary

all of said persons were present, except Director VanDyke, thus constituting a quorum.

Also present were: Michelle Steadman of Inframark, LLC ("Inframark"); Jeffrey Bishop of Jones & Carter, Inc. ("J&C"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Michelle Guerrero of Bob Leared Interests ("Leared"); Mike Scott of Champions Hydro-Lawn, Inc. ("Champions"); and Matthew Reed, Katie Davis and Kristi Tran-Chin of Schwartz, Page & Harding, L.L.P. ("SPH").

PUBLIC COMMENT

The Board began by opening the meeting for public comments. There being no members of the public present, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board reviewed the minutes of its November 15, 2021 regular Board meeting. After review and discussion of the minutes presented, Director Stephens moved that the minutes of the Board's meeting held on November 15, 2021, be approved, as presented. Director Petry seconded said motion, which carried by a vote of three (3) in favor, none oppose, and Director Cline abstaining.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Guerrero presented to and reviewed with the Board the Tax Assessor-Collector's Report, dated November 30, 2021, a copy of which is attached hereto as Exhibit A. After discussion on the report, Director Cline moved that said report be approved and that the disbursements identified in the report be approved for payment from the tax account. Director Petry seconded said motion, which unanimously carried.

DELINQUENT TAX ATTORNEY'S REPORT

The Board considered the Delinquent Tax Attorney's Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. dated December 20, 2021, a copy of which is attached hereto as Exhibit B. Mr. Reed reviewed the Report with the Board. Upon discussion, the Board concurred that no action was required.

BOOKKEEPER'S REPORT

Mr. Burton presented to and reviewed with the Board the Bookkeeping Report, dated December 20, 2021, including the checks presented for payment, a copy of which is attached hereto as Exhibit C. After discussion on the matter, it was moved by Director Kallus that said report be approved, and that the disbursements identified therein be approved for payment, or be voided as noted in said report, including any additional checks noted therein, except check no. 14086, which was voided. Director Petry seconded said motion, which unanimously carried.

AMENDMENT TO RATE ORDER

The Board next considered an amendment to the Rate Order. Mr. Reed reported that the West Harris County Regional Water Authority ("Authority") will increase its surface water rates by \$0.25 from \$3.85 to \$4.10 per 1,000 gallons effective January 1, 2022, a copy of which Notice is attached hereto as Exhibit D. After discussion, Director Petry moved that the District's Rate Order be amended such that the surface water rate be increased from \$4.24 per 1,000 gallons to \$4.51 per 1,000 gallons, and that any and all Rate Orders heretofore adopted be revoked effective January 1, 2022. Director Stephens seconded said motion, which unanimously carried. The Rate Order, as amended, is attached hereto as Exhibit E.

OPERATOR'S REPORT

Ms. Steadman presented to and reviewed with the Board the Operator's Report for the month of November 2021, a copy of which is attached hereto as Exhibit F.

Ms. Steadman then presented to and reviewed with the Board the list of delinquent accounts for the prior month. She requested authorization to move five (5) accounts to collections in the amount of \$717.17 and write-off two (2) account in the amount of \$38.77. Upon discussion, Director Kallus moved that Inframark be authorized to write-off and forward said accounts to collections, as requested. Director Petry seconded said motion, which unanimously carried.

Ms. Steadman next discussed with the Board updated Fire Codes from Harris County, effective February 1, 2021, and advised the Board that, in order to be in compliance with same, the District will need to obtain a permit for each of the District's facilities. She noted that the cost for the permit is estimated to be approximately \$580 for the Water Plant and \$775 for the Wastewater Treatment Plant. After discussion, Director Kallus moved to authorize Inframark to proceed with obtaining the necessary permits at the Water Plant for \$580 and Wastewater Treatment Plant for \$775. Director Petry seconded said motion, which unanimously carried.

Ms. Steadman then presented to and reviewed with the Board a proposal for \$4,750 to install 120v receptacles for heating circuits and winterization at the District facilities, a copy of which is included with Exhibit F. After discussion, Director Kallus moved to authorize Inframark to proceed with the installation of the 120v receptacles, as requested, at a cost of \$4,750. Director Petry seconded said motion, which unanimously carried.

Ms. Steadman next reported that the emergency water interconnect valve between Harris County Municipal Utility District No. 257 and with Harris County Municipal Utility District No. 186 ("No. 186") were found open.

TEXAS PRIDE

The Board noted that recycling bins are still being left on the streets within the District. After noting that a representative of Texas Pride Disposal Services, Inc. ("Texas Pride") was not present, the Board requested that SPH contact Texas Pride and request a representative attend the next meeting to address the Board's concerns.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board a written Engineer's Report, dated December 17, 2021, a copy of which is attached hereto as Exhibit G, relative to the status of various projects within the District.

Mr. Bishop updated the Board regarding the Wastewater Treatment Plant Replacement Project (the "Project"). He reported that Pay Estimate No. 4 in the amount of \$350,779.50 was received from CSA Construction, Inc., ("CSA") for the Project, and recommended that the Board approve same. Upon discussion, Director Kallus moved that Pay Estimate No. 4 from CSA in the amount of \$350,779.50 be approved, as recommended by J&C. Director Cline seconded said motion, which unanimously carried.

Mr. Bishop next presented and reviewed with the Board a draft 2021 Water Rate Analysis, a copy of which is included with Exhibit G. He requested that the Board and consultants review same, and will discuss the analysis in detail at next month's meeting.

CHAMPIONS HYDRO-LAWN, INC. ("CHAMPIONS")

Mr. Scott presented to and reviewed with the Board Champions' report dated December 20, 2021, a copy of which is attached hereto as Exhibit H. No action was taken by the Board at this time.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

The Board deferred discussion regarding the Authority.

MATTERS RELATED TO MAY 7, 2022 DIRECTORS ELECTION

Mr. Reed reported on issues related to the District's Directors Election (the "Election") to be held on May 7, 2022. In connection therewith, Mr. Reed presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as Exhibit I, regarding (i) participation in the joint election with Harris County (the "County"), (ii) publication of notice regarding accessible voting systems, and (iii) posting of Notice Regarding Candidate Filing Period. Mr. Reed advised that the County will administer the Election if the District participates in the County's joint election. He further noted that if the District elects not to contract with the County and to hold an independent Election, Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Mr. Reed noted that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Petry, seconded by Director Kallus and unanimously carried that SPH be authorized to (i) notify the County of the District's intent to participate in the joint Election, (ii) provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District, in case the District subsequently elects to hold an independent Election, and (iii) post the required Notice Regarding Candidate Filing Period.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Reed updated the Board regarding the billing discrepancy with No. 257 regarding the Joint Water Plant and Joint Wastewater Treatment Plant. He noted that a joint meeting to discuss same will take place in the near future.

EXECUTIVE SESSION

The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code Section 551.071.

FUTURE AGENDA ITEMS

There being no further business to come before the Board, Director Cline moved that the meeting be adjourned. Director Stephens seconded said motion, which unanimously carried.


Secretary, Board of Directors



EXHIBITS
December 20, 2021

- A. Tax Assessor-Collector Report
- B. Delinquent Tax Attorney's Report
- C. Bookkeeper's Report
- D. Notice of Fee Increase from West Harris County Regional Water Authority
- E. Rate Order
- F. Operator's Report
- G. Engineer's Report
- H. Champions Hydro-Lawn Report
- I. Memorandum regarding District's Directors Election