

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 183
Minutes of Meeting of Board of Directors
January 25, 2022

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 183 (the "District") met in regular session, open to the public on January 25, 2022, in accordance with the duly posted notice of public meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Rudy Alvarado, President
Anthony (Jerry) Langley, Vice President
Chad Vowell, Secretary
Robert Pollard, Assistant Secretary

all of whom were present, thus constituting a quorum.

Also present was Chad Walker of Jones & Carter, Inc. ("J&C"); Trevor Smith and Miguel Medina of Municipal Accounts & Consulting, L.P. ("MA&C"); Michelle Guerrero of Bob Leared Interests, Inc. ("Leared"); Matt Brown of Si Environmental, LLC ("SE"); and Gina Free and Sabrina Johnston of Schwartz, Page & Harding, L.L.P. ("SPH").

Following the roll call, the President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

The Board deferred consideration of public comments after noting that no members of the public requested to make any comments.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the Board meetings held on November 23, 2021 and December 28, 2021. Upon review, Director Alvarado moved that the minutes of the Board meetings held on November 23, 2021 and December 28, 2021, be approved, as written. Director Vowell seconded said motion, which carried unanimously.

BOOKKEEPER'S REPORT

Mr. Smith presented and reviewed with the Board the Bookkeeper's Report, dated January 25, 2022, a copy of which is attached hereto as **Exhibit A**, including the disbursements presented for payment from the District's various accounts. Following review, Director Vowell moved that the Bookkeeper's Report be approved, and the disbursements identified therein be approved for payment, including check nos. 10154 through 10160, which were not included in the Report. Director Alvarado seconded said motion, which carried unanimously. The Board deferred consideration of an amended operating budget.

APPOINTMENT OF NEW DIRECTOR AND ELECTION OF OFFICERS

The Board next considered the appointment of a Director to fill the vacancy on the Board. In connection therewith, Ms. Free advised the Board that Rick O'Loughlin has withdrawn his candidacy. Following discussion, the Board concurred to appoint Mr. Dan Mushen to fill the vacancy on the Board.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH DISTRICT

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Free advised that pursuant to the terms of the District's Investment Policy and provisions of the Public Funds Investment Act, the Board is required to review and revise, if necessary, such list at least annually. She then presented to and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. Ms. Free further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officers, but that it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Alvarado moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and (ii) the President and Secretary be authorized to execute same. Director Vowell seconded said motion, which unanimously carried.

Mr. Medina exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Guerrero reviewed the Tax Assessor-Collector's Report for the month of December 2021, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for payment from the District's Tax Account. After discussion, Director Alvarado moved that the Tax Assessor-Collector's Report be approved and the disbursements identified in the Report be approved for payment from the District's Tax Account. Director Vowell seconded said motion, which carried unanimously.

EXEMPTIONS FROM TAXATION FOR 2021

Ms. Free outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code, as amended. She advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2022, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act,

or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2022, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After discussion of the matter, Director Alvarado moved that the District (i) not grant a residential homestead exemption, and (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$15,000 from ad valorem taxes levied by the District during the calendar year 2022, and that the Resolution attached hereto as **Exhibit D** relative to same be approved and adopted by the Board and the District. Director Vowell seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT

The Board next considered the Delinquent Tax Collections Attorney's Report (the "Delinquent Report") from Perdue, Brandon, Fielder, Collins & Mott L. L. P. ("Perdue"), a copy of which is attached hereto as **Exhibit E**. Ms. Free presented and reviewed said Delinquent Report with the Board. After discussion, the Board concurred that no action was required.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Ms. Free advised that the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the amount of personal property taxes, penalty and interest due the District on same in connection with taxes that become delinquent as of February 1, 2022 and remain delinquent sixty (60) days after the date on which they become delinquent. After discussion on the matter, Director Alvarado moved that the Resolution Adopting an Additional Penalty on Delinquent Personal Property Taxes of twenty percent (20%), attached hereto as **Exhibit F**, be passed and approved by the Board and the District, and that the District's Delinquent Tax Attorney be authorized to collect such delinquent personal property taxes, effective April 1, 2022. Director Vowell seconded said motion which carried unanimously.

ENGINEER'S REPORT

Mr. Walker presented to and reviewed with the Board the Engineer's Report dated January 25, 2022, a copy of which is attached hereto as **Exhibit G**, relative to the status of various projects within the District. After discussion, the Board concurred that no action was required.

Mr. Medina entered the meeting at this time.

UTILITY COMMITMENT LETTERS

Mr. Walker next advised the Board that potential development activity was observed at the Little Blessings Childcare facility. In connection therewith, he advised the Board that Little Blessings has not obtained plan approval. Following discussion, Director Alvarado moved to authorize SPH and J&C to prepare and send a Notice of Violation to Little Blessings Childcare,

subject to confirmation of development activity. Director Vowell seconded said motion, which carried unanimously.

OPERATIONS AND MAINTENANCE REPORT

Mr. Brown presented to and reviewed with the Board the Operations and Maintenance Report for the month of December 2021, a copy of which is attached hereto as **Exhibit H**. Following discussion, Director Alvarado moved to authorize termination of accounts in accordance with the District's Rate Order. Director Vowell seconded said motion, which carried unanimously.

Mr. Brown next advised the Board of an incident in the District where a two truck hit a fire hydrant due to an accident caused by another driver. In connection therewith, he advised the Board that SE has obtained a police report and is working on obtaining additional information. He further advised the Board that SE has made the necessary repairs in the amount of approximately \$8,000.

CONSUMER CONFIDENCE REPORTS

The Board next considered authorizing SE to provide certain required information to districts that received water from the District through an emergency interconnect in 2021 relative to the annual Consumer Confidence Reports. Ms. Free explained that, pursuant to requirements promulgated by the United States Environmental Protection Agency, the District is required to provide by April 1, 2022, a report containing various information regarding the District's water supply to any other water supplier which received water from the District through an interconnect during the prior calendar year. After discussion on the matter, it was moved by Director Alvarado, seconded by Director Vowell and unanimously carried, that SE be authorized to provide the required information, as discussed.

SECURITY REPORT

The Board deferred consideration of a Security Report after noting that no report was received from the Harris County Sheriff's Department this month.

RENEWAL OF INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES

Ms. Free next reminded the Board that it approved the Interlocal Agreement for Law Enforcement Services between the District and Harris County, Texas, during the Board meeting on January 24, 2022. Following discussion, Director Alvarado moved to ratify and approve the Board's previous approval of said Interlocal Agreement for Law Enforcement Services. Director Vowell seconded said motion, which unanimously carried.

DISCUSSION REGARDING THE PROPOSED ADMINISTRATIVE BUILDING

The Board deferred consideration of the proposed administrative building.

**TEXAS COMPTROLLER OF PUBLIC ACCOUNTS SPECIAL PURPOSE DISTRICT
PUBLIC INFORMATION DATABASE**

Ms. Free informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Ms. Free recommended that, BKD, LLP, the District's auditor, be authorized to prepare and submit the information. After discussion on the matter, it was moved by Director Alvarado, seconded by Director Vowell and unanimously carried, that BKD, LLP be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board next discussed the renewal of the District's insurance coverages and bonds and considered authorizing the solicitation of proposals for same. Ms. Free stated that the District's current insurance coverage with Arthur J. Gallagher & Co. ("Gallagher") will expire on March 31, 2022. After discussion concerning the various options available to the District, the Board concurred that SPH be authorized to solicit a renewal proposal for the District's insurance coverages from Gallagher.

SUPPLEMENTAL AGENDA

The Board considered the calling of a Directors Election in accordance with the requirements of the Texas Water Code. There was presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit I** calling such election to be held on May 7, 2022. It was noted that the terms of office of Directors Alvarado, Langley, and Vowell expire in May of this year. In reviewing the Order with the Board, Ms. Free advised that the Order provides for the conduct of the Directors Election by Harris County, Texas (the "County"), jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. Although the County will conduct the Directors Election, she advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Directors Election, and that the Order named Sabrina Johnston as such agent (the "Election Agent"). Ms. Free further advised the Board that notice of the Directors Election must be given in accordance with the requirements of the Texas Election Code. Ms. Free advised the Board that notice of the Directors Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Directors Election be given by posting same at a public place in each County election precinct that overlaps the District. After discussion on the matter, Director Alvarado moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for

the Directors Election in accordance with the Order. Director Vowell seconded said motion, which unanimously carried. Ms. Free advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 22, 2022, the Board may thereafter cancel the Directors Election in accordance with the Texas Election Code.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, the Board discussed the preparation of a newsletter or informational handout to be distributed with customers water bills with information relating to the District. Following discussion, the Board requested that (i) an item be added to the next agenda to further discuss this item, and (ii) each Board member bring a list of items to be considered for inclusion in said communication.

FUTURE AGENDA ITEMS

The Board did not request any items be place on future agendas other than those already discussed and regular and on-going items.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Vowell, seconded by Director Alvarado, and unanimously carried, the meeting was adjourned.

(SEAL)

Secretary, Board of Directors

Harris County Municipal Utility District No. 183
EXHIBITS
January 25, 2022

- Exhibit A Bookkeeper's Report
- Exhibit B Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Resolution Concerning Exemptions from Taxation
- Exhibit E Delinquent Tax Collections Attorney's Report
- Exhibit F Resolution Adopting an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit G Engineer's Report
- Exhibit H Operations and Maintenance Report
- Exhibit I Order Calling Directors Election