

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Board of Directors Meeting October 18, 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 October 18, 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, thus constituting a quorum.

Also present were: Don Self and Michelle Steadman of Inframark, LLC ("Inframark"); Jeffrey Bishop of Jones & Carter, Inc. ("J&C"); Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); Michelle Guerrero of Bob Leared Interests ("Leared"); Mike Scott of Champions Hydro-Lawn, Inc. ("Champions"); and Rick Barker and Kristi Tran-Chin of Schwartz, Page & Harding, L.L.P. ("SPH"). Ms. Davis entered later as noted herein.

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 meeting held on September 20, 2021. After review and discussion of the minutes presented, Director Cline moved that the minutes of the Board's meeting held on September 20, 2021, be approved, as written. Director Stephens seconded said motion, which unanimously carried.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S PROPOSED 2021 TAX RATE

As the next order of business, the Board conducted a public hearing regarding the adoption of the District's proposed tax rate for 2021. There being no members of the public present to offer comments, upon a motion made by Director Cline, seconded by Director Petry and unanimously carried, such hearing was closed.

LEVY OF THE DISTRICT'S 2021 DEBT SERVICE AND MAINTENANCE TAX RATES

The Board discussed setting the District's 2021 tax rate. Ms. Guerrero confirmed that the notice of the District's intention to set a tax rate, a copy of which is attached hereto as Exhibit A, was published in the *The Houston Chronicle* in accordance with all legal requirements and as directed by the Board at its September 20, 2021, meeting. After discussion on the matter, Director Cline moved that: (i) the Board adopt the total tax rate as proposed at the Board's September 20, 2021, meeting and as reflected in the notice; (ii) the District levy a 2021 maintenance tax rate of \$0.26 per \$100 of assessed valuation, and a debt service tax rate of \$0.245 per \$100 of assessed valuation for a total 2021 tax rate of \$0.505 per \$100 of assessed valuation; and (iii) the Order Levying Taxes, attached hereto as Exhibit B, be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Petry seconded said motion, which unanimously carried.

APPROVAL AND EXECUTION OF AN AMENDED DISTRICT INFORMATION FORM

Mr. Barker next presented and discussed with the Board an Amendment to the Amended District Information Form relative to the District's 2021 tax rate. After discussion regarding said form, Director Petry moved that the amended District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Cline seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

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

Mr. Barker addressed the Board concerning the services to be provided by Leared regarding H.B. 1154 compliance, as discussed at the last meeting. In connection therewith, Ms. Guerrero presented to and reviewed with the Board the First Amendment to Agreement for Services of Tax Assessor/Collector, a copy of which is attached hereto as Exhibit D. After discussion on the matter, it was moved by Director Petry, seconded by Director Kallus, and unanimously carried, that the Board approve the First Amendment to Agreement for Services of Tax Assessor and Collector for services regarding H.B. 1154 compliance, subject to review by SPH.

DELINQUENT TAX ATTORNEY'S REPORT

The Board deferred consideration of the Delinquent Tax Attorney's Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), after noting that there is no report for the month of September.

BOOKKEEPER'S REPORT

Ms. Michaux presented to and reviewed with the Board the Bookkeeping Report, dated October 18, 2021, including the checks presented for payment, a copy of which is attached hereto as Exhibit E. After discussion on the matter, it was moved by Director Petry 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. Director Stephens seconded said motion, which unanimously carried.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING

The Board deferred consideration of the energy report at this time.

ADOPTION OF AMENDED OPERATING BUDGET FOR FISCAL YEAR ENDING MARCH 31, 2022

The Board deferred adopting an amended operating budget for fiscal year ending March 31, 2022 at this time.

Director Stephens noted that he reached out to Texas Pride Disposal Solutions LLC (“Texas Pride”) recently due to at least two missed solid waste pickup days. He noted that he was informed by Texas Pride of potential credit due to the missed days and inquired regarding same. SPH will investigate same and reach out to Texas Pride regarding potential credit for the two missed pickup days.

OPERATOR'S REPORT

Ms. Steadman presented to and reviewed with the Board the Operator's Report for the month of September 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 two (2) accounts to collections in the amount of \$82.63. Upon discussion, Director Petry moved that Inframark be authorized to forward said accounts to collections, as requested. Director Stephens seconded said motion, which unanimously carried.

Ms. Steadman next reported that Blower No. 3 is not working properly. She noted that the District currently has 2 functional Blowers, but in the event that one Blower malfunctions, the District will need to rent a back-up Blower at a cost of \$3,000 per month.

Mr. Barker updated the Board regarding status of communication with Goo Goo Carwash regarding its condition. It was noted that Director Cline recently provided comments to SPH's draft correspondence. After discussion, Director Kallus moved that SPH be authorized to send said letter to Goo Goo Carwash, after incorporating Director Cline's comments, as discussed. Director Petry seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board a written Engineer's Report, dated October 14, 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. 2 in the amount of \$199,602.17 was received from CSA Construction, Inc., ("CSA") for the Project, and recommended that the Board approve same. Upon discussion, Director Petry moved that Pay Estimate No. 2 from CSA in the amount of \$199,602.17 be approved, as recommended by J&C. Director Kallus seconded said motion, which unanimously carried.

Mr. Bishop next presented to and reviewed with the Board correspondence from HRS and Associates, LLC ("HRS"), a copy of which is included with Exhibit G. He noted HRS has requested, on behalf of its client, a utility commitment from the District for a proposed project consisting of a fast-food restaurant and retail stores at 16302 FM 529. He stated J&C is recommending approval of the utility commitment. Upon discussion, Director Petry moved that the District approve the utility commitment and accept the TEC Form 1295 in connection therewith. Director Kallus seconded said motion, which unanimously carried. Director Cline noted that said property is overgrown and needs to be maintained. She then requested contact information of said owner to communicate same.

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

Mr. Scott presented to and reviewed with the Board Champions' report dated October 18, 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")

Director VanDyke reported to the Board regarding the activities of the Authority.

IMPLEMENTATION OF SENATE BILL NO. 3; AMENDMENT TO DISTRICT RATE ORDER

Mr. Barker presented to and reviewed with the Board a memorandum prepared by SPH regarding the implementation of Senate Bill No. 3 from the 87th Texas Legislative Session ("S.B. 3") in response to Winter Storm Uri, a copy of which memorandum is attached hereto as Exhibit I. A discussion next ensued regarding the implementation of S.B. 3. Mr. Barker requested that the Board consider amending the District's Rate Order to incorporate the requirements of S.B. 3 regarding billing practices during extreme weather emergencies, effective immediately. After discussion, Director Petry moved that the District's Rate Order be amended to incorporate the requirements of S.B. 3 regarding billing practices during extreme weather emergencies, effectively immediately, and that any and all Rate Orders heretofore adopted be revoked.

Director Cline seconded said motion, which unanimously carried. The Rate Order, as amended, is attached hereto as Exhibit J.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Barker advised the Board that communications have been circulated regarding a special Board meeting potentially scheduled for October 26, 2021 to discuss the status of investigation into billings of Harris County Municipal Utility District No. 257 by the District regarding the Joint Water Plant and Joint Wastewater Treatment Plant. After noting that there is a scheduling conflict, Mr. Barker advised the Board that SPH will coordinate and communicate alternative dates for said special meeting.

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 Petry moved that the meeting be adjourned. Director Cline seconded said motion, which unanimously carried.


Secretary, Board of Directors



EXHIBITS
October 18, 2021

- A. 2021 Tax Rate Notice of Publication
- B. Order Levying Taxes
- C. Tax Assessor-Collector Report
- D. First Amendment to Agreement for Services of Tax Assessor/Collector
- E. Bookkeeper's Report
- F. Operator's Report
- G. Engineer's Report
- H. Champions Hydro-Lawn Report
- I. Memorandum regarding Senate Bill No. 3
- J. Rate Order