

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Board of Directors Meeting September 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 September 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, thus constituting a quorum.

Also present were: Don Self and Missy 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"); Christine Crotwell of Masterson Advisors, LLC ("Masterson"); 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"). 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 August 16, 2021. After review and discussion of the minutes presented, Director Petry moved that the minutes of the Board's meeting held on August 16, 2021, be approved, as written. Director Stephens seconded said motion, which unanimously carried.

CONSIDER ADOPTION OF AMENDED AND RESTATED RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2021 TAX YEAR

Mr. Reed presented to and reviewed with the Board an updated worksheet completed by J&C to assist the Board in making a determination regarding the District's developed status, along with an Amended and Restated Resolution Concerning Developed District Status for the 2021 Tax Year. A copy of the Resolution is attached hereto as Exhibit A. Following discussion, upon motion made by Director Cline, seconded by Director Petry, and unanimously carried, the attached Resolution was adopted by the Board.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2021 TAX RATE

As the next order of business, the Board considered the Financial Advisor's recommendation concerning the District's proposed 2021 tax rate. In connection therewith, Mr. Reed discussed with the Board the requirements for notice of the District's intention to adopt a 2021 tax rate. Mr. Reed advised that, pursuant to §49.236 of the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Reed further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

Ms. Crotwell presented to and reviewed with the Board a 2021 Tax Rate Analysis and cash flow for the District, prepared by Masterson, a copy of which is attached hereto as Exhibit B. After discussion, Director Petry moved that the District (i) levy a 2021 debt service tax rate of \$0.245, (ii) levy a 2021 maintenance tax rate of \$0.26, and (iii) that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2021 tax rate at its next meeting in the form and at the time required by law. Director Kallus seconded said motion, which carried unanimously. The Board concurred that the notice should be published by the tax assessor-collector in a newspaper of general circulation in the section directed to the zip code in which the District is located.

BOOKKEEPER'S REPORT

Ms. Michaux presented to and reviewed with the Board the Bookkeeping Report, dated September 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 Cline 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.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Guerrero presented to and reviewed with the Board the Tax Assessor-Collector's Report, dated August 31, 2021, a copy of which is attached hereto as Exhibit D. 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.

A discussion ensued regarding the District's compliance with H.B 1154. After discussion, Mr. Reed noted an agenda item will be added to next month's meeting to consider an Amendment to Agreement for Services of Tax Assessor Collector.

DELINQUENT TAX ATTORNEY'S REPORT

The Board considered the Delinquent Tax Attorney's Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached hereto as Exhibit E. After discussion, Director VanDyke moved that Perdue be authorized to send a list of the accounts of property owners who did not respond or make payment of their delinquent taxes, interest, and penalties under the heading of "Failed to respond" in the Report to the District's Operator to be tagged for disconnection, as recommended by Perdue. Director Kallus seconded said motion, which unanimously carried.

A discussion ensued regarding the condition of the Goo Goo Carwash tract. After discussion on the matter, Director Kallus moved to authorize (i) Director Cline to obtain District business cards and communicate with the Harris County Sheriff's Office on behalf of the District regarding said tract, and (ii) SPH to prepare a letter to the owner of said tract requesting cleanup of said tract, as discussed, to be reviewed by Director Cline before transmittal. Director Petry seconded said motion, which unanimously carried.

OPERATOR'S REPORT

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

Mr. Self then presented to and reviewed with the Board the list of delinquent accounts for the prior month. Upon discussion, Director VanDyke moved to approve the delinquent termination list, as requested. Director Stephens seconded said motion, which unanimously carried.

Mr. Reed then presented to and reviewed with the Board a memorandum prepared by SPH concerning House Bill 872, which bill relates to the implementation of customer confidentiality requirements and the authorization of giving notice in connection with same. A copy of the memorandum is attached hereto as Exhibit G. Mr. Reed summarized the bill's requirements and options for the District's compliance with same. Following discussion, the Board concurred that notice of a customer's right to request disclosure of his or her personal and billing information, along with a form to accomplish same, be included on all District water bills going forward.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Reed discussed the status of the District's prior Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic and advised that the policies and procedures set forth in said Resolution expired on September 1, 2021.

The Board next considered the adoption of an Order Establishing Office and Meeting Places of Board of Directors Outside the District (the "Order"), located at 1300 Post Oak Boulevard, Suites 2400 and 2500, Houston, Texas 77056, attached hereto as Exhibit H. After

consideration of the matter, it was moved by Director Cline, seconded by Director Petry, and unanimously carried that said order be passed and adopted. The Secretary was directed to execute and the attorney to publish notice of designation of such office and meeting place outside the boundaries of the District, and to file a copy of the Order with the TCEQ.

The Board deferred discussion regarding 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 auditor report is still pending.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board a written Engineer's Report, dated September 16, 2021, a copy of which is attached hereto as Exhibit I, 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. 1 in the amount of \$868,330.64 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. 1 from CSA in the amount of \$868,330.64 be approved, as recommended. Director Cline seconded said motion, which unanimously carried.

Ms. Davis entered the meeting at this time. Mr. Reed exited the meeting at this time.

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

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

It was noted that SPH is in communications with Harris County Flood Control District regarding the renewal of the District's Interlocal Mowing Agreement.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Director VanDyke reported to the Board regarding the activities of the Authority. He then noted that the Authority intends to increase its water rates by \$0.25 per 1,000 gallons, effective January 1, 2022.

Ms. Micheaux exited the meeting at this time.

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 Stephens seconded said motion, which unanimously carried.

Margaret Petry
Secretary, Board of Directors

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EXHIBITS
September 20, 2021

- A. Amended and Restated Resolution Concerning Developed District Status for the 2021 Tax Year
- B. 2021 Tax Rate Analysis
- C. Bookkeeper's Report
- D. Tax Assessor-Collector Report
- E. Delinquent Tax Report
- F. Operator's Report
- G. Memorandum regarding House Bill 872
- H. Order Establishing Office and Meeting Places of Board of Directors Outside the District
- I. Engineer's Report
- J. Champions Hydro-Lawn Report
- K. Memorandum regarding H.B. 1154