

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155
Minutes of Meeting of Board of Directors
April 18, 2022

A meeting of the Board of Directors (“Board”) of Harris County Municipal Utility District No. 155 (“District”) was held on April 18, 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
Clint Wilhelm, Secretary
Corey Manahan, Director
Barbara Scott, Director

and the following absent:

None.

Also present were Ms. Tonya Francis, District bookkeeper; Mr. John Taylor, District operator; Ms. Debbie Arellano, tax assessor-collector for the District; Mr. John Gerdes, District engineer; Mr. Michael Smith of Michael’s Maintenance Service; District resident Mr. Bill Poppe; 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.

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

Minutes of the Board of Directors meeting held March 21, 2022.

Tax assessor-collector’s report, including invoices and a schedule of delinquent taxes. Tax collections for 2021 are at 96.944% through March 31.

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 Wilhelm, 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 and bookkeeper's reports.

2. The Board further discussed bookkeeping matters, including receipt of Texas Commission on Environmental Quality authorization to use \$465,620 in surplus construction funds to fund costs associated with backslope swale and fence No. 1, backslope swale and fence No.2, and emergency overflow and storm structures. After discussion, the Board unanimously authorized transfer of that amount from the capital projects fund to the general fund account. Further, Director Manahan suggested TCEQ had previously issued a comprehensive authorization for use of surplus construction funds, and he stated if this is the case, individual requests for authorization would no longer be necessary. Ms. Parks will consult with John Gerdes and review the files for this information.

3. The Board opened the meeting for public comment. District resident Bill Poppe addressed the Board concerning his previous request for the District to replace a section of his driveway. The request concerned a leaking blowoff and was discussed at the March meeting. At that time neither the Board nor the District's consultants were convinced the customer's problem was caused by a District facility or its operation. Mr. Poppe requested the Board reconsider its denial of relief and he described the circumstances in further detail. The District's operator and engineer noted they had visited the site to observe conditions. There was a possibility that the tap may be leaking, but the tap may not be located under the driveway; and, while it would be possible to relocate the blowoff, this may or may not be related to the driveway condition. The District could televise the nearby sanitary sewer lateral line to check for leaks or infiltration. Ms. Parks stated that as a governmental entity, the District has governmental immunity and generally is not liable for property damage. Further, while the District's insurance policies do address sewer backups, they do not provide coverage for water-related issues, as the policies rely on the principle of governmental/sovereign immunity. The Board further discussed the situation and unanimously authorized the operator to televise the sanitary line, make further observations, and report back to the Board.

Mr. Penney commented briefly, noting that persons interested in developing an apartment project were still communicating with No. 156.

4. The Board considered selection of a depository bank for the District's tax account. The District's tax assessor-collector recommended closing the account at Central Bank and opening an account at Wells Fargo Bank, NA. At this time, the attorneys are working with the tax office on revisions to a draft Depository Pledge Agreement with Wells Fargo. After further discussion, the Board authorized selection of Wells Fargo as the depository but tabled approval of a Depository Pledge Agreement.

5. The Board discussed the status of receipt from plant participants of increased joint water plant and sewer plant operating reserves. Letters on the subject had been sent to all participants in January 2022, and as not all payments had been received, Ms. Parks was further communicating with the participants.

6. John Taylor presented the operations report, copy attached, reflecting 825 total connections and 5 vacancies. Water accountability during the month was 93%, and the sewage treatment plant had operated at 36% of permitted capacity. The relatively lower water accountability was attributable to timing/billing issues, and to that end the Board requested that the operators read the No. 156 interconnect meter on the same day it reads the meters of District customers.

On the operator's recommendation, three accounts in the amount of approximately \$44.00 were deemed uncollectable and referred to a collection agency used by the District. Mr. Taylor then submitted a list of 24 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.

Mr. Taylor presented and reviewed a report on manhole repairs, and then described the failure of the main breaker at the sewage treatment plant. The generator supplied power to the plant while the issue was being addressed. The operators conducted an extensive

search for a replacement of the old breaker and located a used breaker which had since arrived and been installed. Mr. Taylor discussed the price for the breaker as well as for the fuel used for operation of the generator. Mr. Taylor and Mr. Gerdes recommended that the Board consider upgrading the breaker and noted it would be a large project, so in the meantime, the operators will seek out another identical breaker to have for use as a spare. The Board also agreed that the operator and engineer should pursue the upgrade project and report back to the Board. Mr. Taylor also reported the operators had conducted a full preventive maintenance on the generator since it ran for such a long time. As a result, Cummins will replace the switch on the fuel pump; further, the electrical contractor currently working at the water plant suggested replacement of the transfer switch, which will be done. After further discussion of the operator's report, upon motion by Director Denmon, seconded by Director Scott, the Board approved the report as presented.

7. The Board discussed the status of billing under the emergency water supply contract with Harris County MUD No. 163. Ms. Parks had sent correspondence to No. 163 notifying it of the Board's discussions in February and disputing the number of gallons and the amount of the WHCRWA fee invoiced by No. 163. The letter also mentioned the District's plans to use interconnect water for its upcoming projects and to invoice No. 163 (including for WHCRWA fees) at the conclusion of its project. The letter suggested incorporating offsetting usage by both districts into one master invoice and charging the accurate WHCRWA fees imposed during the periods of supplying water. No. 163 had briefly responded to this correspondence and agreed to a delay in District payment of No. 163's invoice and for payment in kind. The Board noted the District plans to use far less water during its current project than the District has already supplied to No. 163. For that reason, the District's Board agreed to in-kind payment of the emergency contract rate and the WHCRWA fee on offsetting usage, but would require payment in cash for the excess water it supplied.

8. Mr. Gerdes presented an engineer's report, copy attached. JACH Controls & Automation has mobilized at the water plant and begun the contracted work. Mr. Gerdes and Mr. Taylor will meet at the plant with the contractor to discuss issues it had raised. Mr. Gerdes also mentioned he had contacted an electrical engineer to perform a load analysis at the water and sewer plants. Mr. Gerdes then reported on work by CFG Industries at the joint sewer plant


and noted this contractor has also mobilized and begun work. He reported on progress with repair of the fence at 7938 Millbrook Lane, noting the contractor Uplevel Remodeling has begun work and may submit a change order due to materials availability issues and pricing changes. Mr. Gerdes briefly addressed the backslope interceptor and fence replacement project, noting that surveys have been done, but he did not plan to proceed further until access to materials has improved. After further discussion, the Board authorized the engineer to begin design of this project. The Board also requested that the engineer check on pressure washing and staining a portion of the back fence, as well as replacing one section in the area of the retaining wall. After further discussion of engineering matters, upon motion by Director Wilhelm, seconded by Director Scott, the Board voted to approve the report as presented.

9. Michael Smith presented a written monthly report, a copy of which is attached hereto. He addressed ownership of the drainage channel section from Queenston to the bridge, noting that on occasion in the past he had been able to have Harris County Flood Control District mow in the area. Mr. Smith has regularly mowed from mid-channel to the sidewalk, and the Board agreed he should keep mowing this area unless more specific ownership information becomes available. Mr. Smith then reviewed his written report, and the Board approved his \$1,550 proposal for tree replacement.

10. The Board reviewed the arbitrage rebate report prepared by Arbitrage Compliance Specialists, Inc. for the District's Series 2010 Refunding Bonds. The report noted that a fifteenth-year arbitrage rebate report will be due by 60 days after October 7, 2025. A yield restriction/yield reduction report may be required for the five-year study period ending October 7, 2025 if the remaining construction funds earn a rate of return higher than the bond yield prior to being fully spent.

11. The Board considered pending business and received no comments from regional plant participants in attendance.

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



Secretary