

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors

June 20, 2022

A meeting of the Board of Directors (“Board”) of Harris County Municipal Utility District No. 155 (“District”) was held on June 20, 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
Barbara Scott, Director

and the following absent:

Corey Manahan, Director.

Also present were Ms. Tonya Francis, District bookkeeper; Mr. John Taylor, Municipal Operations & Consulting; Ms. Debbie Arellano, tax assessor-collector; Mr. John Gerdes, District engineer; Mr. Jeff Penney, representing Harris County MUD No. 156; Mr. Michael Smith of Michael’s Maintenance; Ms. Inger-Berit Eilertsen, resident of Harris County MUD No. 156; 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 May 16, 2022, which the Board approved as revised.

Tax assessor-collector’s report, copy attached, including invoices and a schedule of delinquent taxes. Tax collections for 2021 are at 98.528% through May 31, and the preliminary taxable value of property for 2022 is \$201,952,742, a 14.7% increase.

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 Denmon, 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 opened the meeting for public comment. Ms. Eilertsen briefly addressed the Board indicating she serves on the landscaping committee of the Copper Lakes

Homeowner's Association. She has attended meetings of the Boards of Harris County MUDs No. 173 and No. 156 and is now attending the District's Board meeting. Mr. Penney also briefly addressed the Board and noted he understood development of the proposed 81-unit apartment project near the intersection of Barker Cypress and West Road was still moving forward.

3. The Board tabled items No. 2 and No. 3 from the regular agenda and agreed to take them up when all five directors are present.

4. The Board considered amendment of the District's agreement with BLICO Inc., DBA Bob Leared Interests for tax assessor-collector services. Ms. Arellano reviewed the proposed contract amendments, including to the company's compensation. She noted the rate increase would amount to an additional \$84.36 per month and noted that the company will now charge its hourly rate for attendance at night meetings. Ms. Parks stated she had also reviewed the contract and noted it addressed the tax assessor's performing duties under the Texas Tax and Government Codes regarding the posting of items on the internet on behalf of the District. The contract also now contains provisions required under Texas law confirming the tax assessor-collector does not boycott Israel or energy companies or discriminate against firearms entities or trade associations, and further that it does not engage in business with foreign terrorist organizations. The Board discussed the proposed amendments and thereafter, upon unanimous vote, accepted them and authorized execution of the agreement by the Board President and Secretary.

5. The Board agreed to review draft budgets for the District's fiscal year ending August 31, 2023 at the next regular Board meeting and as appropriate schedule a special meeting to allow for a more detailed review.

6. The attorney provided a conflict-of-interest questionnaire to the Board for review and completion. Director Wilhelm had made his disclosure last month, and the other Directors present now completed the questionnaire noting no conflicts, and provided a copy for the District's records. The attorney also noted that the annual disclosure under the Public Funds Investment Act had been completed by investment officer Jorge Diaz and that a disclosure had been provided to Director Manahan, the District's other investment officer, for completion.

7. The Board further discussed bookkeeping matters, including specifically the status of receipt of payment from joint sewage treatment plant participants of their prorated shares of the costs of the small sewage treatment plant rehabilitation project. Ms. Parks noted that a letter had been sent to each entity in April with appropriate documentation requesting payment, but the bookkeeper noted that the only payments received had been from the District and Lone Star College. After discussion, the Board directed the attorney to send another letter requesting payment. The District's bookkeeper will also directly invoice the bookkeeper for each participant entity.

8. John Taylor presented the operations report, copy attached, reflecting 825 total connections and 3 vacancies. Water accountability during the month was 105%, and the sewage treatment plant had operated at 39% of permitted capacity.

On the operator's recommendation, one account in the amount of \$155.11 was deemed uncollectable and referred to a collection agency. Mr. Taylor then submitted a list of 24 delinquent accounts to the Board that were subject to termination of utility service. Mr. Taylor 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 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 reported that while it has not been the case in the District, his company has been observing more than the usual number of water main breaks due to excessive heat and lack of rainfall. He again notified the Board that Municipal Operations and Consulting's main plant operator Tony will soon be taking FMLA leave and Ho Jin Lee will be handling plant operations during this time. Mr. Taylor then discussed with the Board costs he had compiled for maintenance and work at the lift station over the past two years. Installation of a submersible pump in the dry well has decreased labor and electricity costs to a degree. The Board discussed work at the lift station by Pumps of Houston which has access to the computer system/auto dialer and resets it after a call-out. There was also discussion about installation of a device, called a muffin monster, which grinds up solids in raw sewage before it enters the facility. Such equipment is expensive to install (approximately \$400,000). Mr. Taylor agreed to contact Pumps of Houston about operator access to and training on the computer components at the lift station and will report back to the Board. After further discussion of the operator's report, the Board unanimously approved it as presented.

9. Mr. Taylor confirmed that the operators had completed the annual application for critical load status on behalf of the District and had submitted the necessary emergency operations information.

10. Mr. Taylor requested that the Board approve a minor but important amendment to the District's contract with Municipal Operations and Consulting. The contract currently referred to the company as an incorporated entity when it is actually a limited liability company. The Board unanimously authorized the amendment to reflect this fact.

11. The Board discussed with the operator the status of billing under the District's emergency water supply contract with Harris County MUD No. 163. At the previous meeting it had been too early to bill since the District was supplied water under the agreement and had only recently put its water plant back on line. Mr. Taylor will send the water usage information to the District's attorney and bookkeeper who will coordinate invoicing as appropriate.

12. John Gerdes presented an engineer's report, copy attached. Prior to review of the report, there was a discussion about resolution of the request of District resident Bill Poppe for replacement of a section of his driveway. As discussed last month, the operators had removed the subject section of the driveway to expose any District water pipes underneath. This action had confirmed that the District's tap was not under the driveway nor was it leaking. Tree

roots were observed in the area. As agreed, the District's operators installed a new tap line, replaced the dirt, and left the driveway work to the resident.

Mr. Gerdes reported JACH Controls & Automation had completed its electrical improvement work at the District's water plant, and the work had been observed by Directors Denmon and Manahan along with operating personnel. Further, electrical engineer Baird & Gilroy has completed its inspection and load analysis at both the water and sewer plants and is preparing a report.

CFG Industries continues to work at the joint sewage treatment plant, and Mr. Gerdes understands the contractor will still complete the work within the original July 28 timeframe. The fence repair at 7938 Millbrook Lane is almost complete and should be finished within a matter of days.

Mr. Gerdes addressed the backslope interceptor and fence replacement project and presented preliminary drawings for review by Director Scott of the District's Parks Committee. Mr. Gerdes noted that some interceptors will be moved to a different location to avoid conflict with a West Harris County Regional Water Authority water line to be constructed in the vicinity. Mr. Gerdes suggested that when this project is bid, the storm pipes and dirt work should be completed together, followed by fence replacement. Mr. Gerdes also suggested the Board consider phasing the interceptor and dirt work, since it looks to be a huge project. After further discussion, the Board unanimously approved the engineer's report.

13. Mr. Gerdes and Mr. Taylor confirmed the District's Emergency Preparedness Plan did not need to be updated.

14. Michael Smith presented a landscape maintenance report, copy attached, and reviewed it with Board. Mr. Smith requested authorization to flush the irrigation system and clean the tree bubblers at an estimated price of \$350, which the Board unanimously approved. Mr. Smith then commented in general on the effects of elevated gas and diesel prices on operating his business. He did not request that the Board approve an adjustment of his rates. The Board discussed additional landscaping matters, with Director Scott asking Mr. Smith to take action as necessary to address a tree behind the sewage treatment plant that appeared to be dying.

15. The Board considered pending business, including the District's response to notice from the Texas Commission on Environmental Quality (TCEQ) of alleged violations. Mr. Taylor stated that the operators had addressed flushing of dead-end mains and ponding in certain areas on the ground storage tank. He was still working with the District's engineer to obtain well completion data and documentation of TCEQ approval of the existing water interconnect with Harris County MUD No. 163.

16. Further regarding pending business, it was noted that the quarterly meeting of joint sewage treatment plant participants would be held July 11, and Ms. Parks would send a letter to all participants regarding same. Finally, following up discussions from the previous meeting about excessive riding of motorcycles and dirt bikes on the road to the sewage treatment plant, Director Dawson stated she had reported this activity to the Harris County Sheriff's Department and had waited on site for an officer, but none appeared. Mr. Taylor stated

a plant inspector drives a motorcycle, but Director Dawson stated the riders she had observed appeared to be minors.

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



Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at Workspace Suites, 16517 Longenbaugh Drive, Houston, Texas 77095.

The meeting will be held at **6:00 p.m. on Monday, June 20, 2022.**

The subject of the meeting is to consider and act on the following:

CONSENT AGENDA: The following items are considered routine by the Board and will be enacted by one motion if appropriate. No separate discussion will occur on these items unless a Board member or member of the public so requests, in which event, the item will be considered on the Regular Agenda.

1. Approve minutes of meeting held on May 16, 2022
2. Tax assessor-collector's report and payment of invoices
3. Bookkeeper's report and payment of invoices; review and approve investment report

REGULAR AGENDA: Consideration of and action on the following items, plus any items removed from the Consent Agenda.

1. Presentation of public comments
2. Approve qualifications of newly elected director; accept oath and statement of elected official; conflict of interest disclosure; open government training
3. Election of officers
4. Amendment of Agreement for Services of Tax Assessor-Collector
5. Review draft budget(s) for Fiscal Year Ending 8/31/2023
6. Review ethics letter and update by Investment Officer; annual director conflicts disclosure
7. Operator's report; review active connections and water accountability; status of operation, maintenance, and repair of District facilities; consider customer appeals; approve termination of service on delinquent accounts; status of manhole repairs; proposal to sandblast and paint fire hydrants
8. Submission of Emergency Operations Information; Application for Critical Load Status
9. Operator's amended contract: acknowledge revision to accurately reflect operator's corporate name

10. Engineer's report, including:
 - a. status of electrical work and load analysis at water plant;
 - b. status of rehabilitation work at joint sewage treatment plant and funding for same;
 - c. status of fence repair on Millbrook Lane and related insurance claim;
 - d. status of design of backslope interceptor and fence replacement project; and
 - e. authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders.
11. Update by engineer of Emergency Preparedness Plan, if needed
12. Report from Michael's Maintenance
13. Pending business, including:
 - a. resolution of issue with customer's driveway;
 - b. comments from/discussion with other participants in regional facilities;
 - c. response to TCEQ notice of alleged violations;
 - d. status of billing under emergency water supply contract with Harris County MUD No. 163; and
 - e. items for placement on next meeting agenda
14. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071
15. Reconvene in Open Session and act on matters discussed in Executive Session, as necessary



A handwritten signature in black ink that reads "Melissa J. Parks".

Melissa J. Parks
Attorney for the District