

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors

August 15, 2022

A meeting of the Board of Directors (“Board”) of Harris County Municipal Utility District No. 155 (“District”) was held August 15, 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
Corey Manahan, Director

and the following absent:

None.

Also present were Mr. John Taylor of Municipal Operations & Consulting; Ms. Tonya Francis, District bookkeeper; Ms. Debbie Arellano, tax assessor-collector; Mr. John Gerdes, District engineer; Mr. Jeff Penney and Mr. Pat Burke, representing Harris County MUDs No. 156 and No. 172, respectively; Mr. Michael Smith of Michael’s Maintenance; Ms. Wendy Ramirez of FORVIS, LLP; 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 properly come before it.

1. The Board considered the following items from the Consent Agenda:

Minutes of the Board of Directors meetings held July 18 and August 6, 2022, which the Board approved as presented.

Tax assessor-collector’s report, copy attached, including invoices and a schedule of delinquent taxes. Tax collections for 2021 are at 98.987% through July 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 Manahan, seconded by Director Wilhelm, 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 tax matters, with Ms. Arellano presenting a list of three personal property accounts eligible for moving to the uncollectable roll. After

discussion, upon unanimous vote, the Board authorized transferring the listed accounts to the uncollectable roll.

3. The Board opened the meeting for public comment. Mr. Burke asked questions about expenditures for capital improvements, maintenance & operations, and chemicals on the draft 2023 joint wastewater treatment plant operating budget. The Board responded to the questions.

4. The Board considered annual budgets for the general operating fund, the regional sewage treatment plant, and the joint water plant. The bookkeeper had revised these budgets as directed by the Board at its special meeting of August 6. Upon further review of each budget, upon motion duly made, seconded, and unanimously carried, the budgets were unanimously approved and the attached Resolutions adopting each budget were adopted. In connection with this action, the tax assessor-collector noted her office would post the adopted budgets on the internet as required under Texas Tax Code Section 26.18 and Texas Government Code Section 2051.202.

5. Ms. Ramirez approached the Board and presented a proposal from FORVIS, LLP for performing the annual audit for the District's fiscal year ending August 31, 2022. She noted that BKD, LLP merged with Dixon Hughes Goodman, LLP on June 1, 2022 and the consolidated entity is named FORVIS, LLP. Ms. Ramirez reviewed the proposal, noting a proposed fee of \$18,200 for the District audit, with \$2,700 additional for the water plant audit and \$2,700 additional for the sewage treatment plant audit. The proposal also noted a \$1,000 administrative fee. After discussion, upon motion by Director Wilhelm, seconded by Director Scott, the Board voted unanimously to accept the proposal.

6. John Taylor presented an operations report, copy attached, reflecting 825 total connections and including 5 vacancies. Water accountability during the month was 103%. The sewage treatment plant had operated at 35% of permitted capacity and without permit excursions.

Mr. Taylor presented two accounts in the total amount of \$46.27 which he recommended the Board deem uncollectable and authorize for referral to a collection agency. The Board authorized the recommended action. Mr. Taylor then submitted a list of delinquent accounts to the Board for termination of utility service and stated that these customers have 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 addressed recoating of fire hydrants. He reported he had followed up with Brian Lunn about doing the work, but Mr. Lunn is now busy with other projects. Mr. Taylor recommended that the Board wait until Mr. Lunn's schedule will permit this work and request he

draft a proposal for Board consideration. The Board agreed with this recommendation. Mr. Taylor also reported that Chris Sanchez has scheduled training sessions with Pumps of Houston concerning the computer system/auto dialer at the lift station.

Mr. Taylor addressed the Board to request approval of a letter agreement authorizing Municipal Operations & Consulting to implement a fuel surcharge. The request is made in connection with increases in the price of fuel. Mr. Taylor closely reviewed the proposed letter agreement, copy attached. The agreement describes the addition of a surcharge to the operator's current hourly truck rates if and when it uses a utility truck while conducting District maintenance and operations. If the average price per gallon of fuel exceeds \$3.00, the surcharge will apply to the truck rates as set out in the exhibit to the agreement, and it would be shown as a line item on the operator's monthly bill to the District. The Board discussed the proposed letter agreement and upon unanimous vote, agreed to approve it. As this item did not appear on tonight's meeting agenda, the Board indicated its intent to ratify this decision at its next regular meeting.

Finally, the Board discussed with Mr. Taylor the status of the operator's conversion to the new Starnik billing software, including its mass notification capabilities. Mr. Taylor agreed to provide more information to the Board next month. After further discussion of operating matters, upon motion by Director Wilhelm, seconded by Director Denmon, the Board voted unanimously to approve the report.

7. The Board discussed weather conditions as well as the District's Drought Contingency Plan and actions by the West Harris County Regional Water Authority. Mr. Taylor and Ms. Parks confirmed receiving no communication from the Authority indicating it has taken action to rescind Stage 1 drought measures. That being the case, the Board agreed to continue imposing drought measures under its own Plan equivalent to the respective stage imposed by the Authority.

8. John Gerdes presented an engineer's report, copy attached. He addressed the status of work by JACH Controls & Automation and noted punch list items remaining to be completed. Upon completion, the contractor will conduct a walk-through with the District's operators. Electrical engineer Baird, Gilroy & Dixon is completing a report on its inspection and load analysis at the water plant facilities.

Mr. Gerdes reported on the work by CFG Industries at the joint sewage treatment plant. He noted a final inspection of the work has been scheduled for August 19 and he recommended that the Board invite the boards of plant participants to visit the site at the conclusion of the final inspection so that they could observe the finished work.

Mr. Gerdes reported that the engineers had prepared as-built drawings of the water interconnect between the District and Harris County MUD No. 163 and submitted them to the Texas Commission on Environmental Quality (TCEQ) in response to TCEQ's notice of alleged violation. With this submission, all outstanding alleged violations should be resolved.

Mr. Gerdes reported that repair of the fence at 7938 Millbrook Lane was complete with the exception of replacement of a latch on the gate. Finally, Mr. Gerdes reported he would continue working with Directors Manahan and Scott on the backslope, interceptor and fence replacement project and would plan a site visit in cooler weather conditions. After further discussion of the engineer's report, upon motion by Director Denmon, seconded by Director Scott, the Board voted unanimously to approve the report.

9. Michael Smith presented a landscape maintenance report, copy attached, and reviewed it with Board. Regular maintenance is on schedule. Mr. Smith requested authorization to trim trees for a fee of \$1,200, and the Board unanimously authorized the work. During the month Mr. Smith repaired a flower bed leak about which a District resident had inquired. The Board and Mr. Smith then discussed the types of trees to plant to replace the two red oak trees that had been removed.

10. The Board considered its annual review of the District's Rate Order and Fee Schedule, including any items recommended for change by the District's operator. No changes were deemed necessary, as the District is charging to its customers at least as much as, if not more than, the amounts it pays to the operator for the services provided. Likewise, the Board conducted its annual review of the District's Code of Ethics and unanimously agreed that the Code of Ethics was satisfactory in its current form.

11. The Board discussed pending business. There were no comments from other participants in the regional facilities. The Board discussed the monthly meeting packet and directed District consultants to provide their reports in time for inclusion in the packet. The Board also directed consultants to supply general ledger codes on their invoices submitted to the District's bookkeeper. Finally, there was discussion regarding the negative balance in the joint water plant account and methods for billing the other participant. It was noted that the joint water plant agreement provided for establishment of an operating reserve. The Board requested that the bookkeeper review the details of the billing earlier this year for an increase of the reserve, and also consider any change which may be needed to the District's monthly billing practices to prevent a negative balance in the future.

12. There were no items identified for placement on the next regular meeting agenda.

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, August 15, 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 meetings held July 18 and August 6, 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. Resolution Adopting Operating Budget for Fiscal Year Ending 08/31/2023
3. Resolution Adopting Operating Budget for Regional Treatment Facilities for Fiscal Year Ending 8/31/2023
4. Resolution Adopting Operating Budget for Joint Water Plant for Fiscal Year Ending 8/31/2023
5. Engage Auditor for Fiscal Year Ending 8/31/2022
6. Resolution (1) Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, (2) Calling Public Hearing on 2022 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing
7. Update Compliance Document/Website for adopted budget and proposed tax rate
8. 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
9. Status of conversion to Starnik billing software, including mass notification capabilities

10. Discuss weather conditions and review District's Drought Contingency Plan; authorize action, as appropriate
11. 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;
 - c. status of design, phasing of backslope interceptor and fence replacement project; and
 - d. authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders.
12. Report from Michael's Maintenance
13. Annual review of Rate Order and Code of Ethics
14. Pending business, including:
 - a. comments from/discussion with other participants in regional facilities;
 - b. status of TCEQ notice of alleged violations; and
 - c. items for placement on next meeting agenda
15. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071
16. Reconvene in Open Session and act on matters discussed in Executive Session, as necessary





Melissa J. Parks
Attorney for the District