

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155**

Minutes of Meeting of Board of Directors

September 19, 2022

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 155 (“District”) met September 19, 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 Ms. Tonya Francis, District bookkeeper; Ms. Debbie Arellano, tax assessor-collector; Mr. John Taylor and Mr. Mario Garcia of Municipal Operations & Consulting; Mr. John Gerdes, District engineer; Mr. Loren Morales and Mr. Larry Liu of RBC Capital Markets LLC; Mr. Jeff Penney and Mr. Pat Burke, representing Harris County MUDs No. 156 and No. 172, 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 properly come before it.

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

Minutes of the Board of Directors meeting held August 15, 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 99.1% through August 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 Scott, 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 and asked about a park improvements expenditure item which should appear on the general fund operating budget. Since

this item did not appear on the current budget, the Board requested that an item be placed on the next meeting agenda to consider amendment of the budget.

3. The Board opened the meeting for public comment, and, there being none, moved to the next agenda item.

4. The Board ratified its approval last month of a letter agreement with Municipal Operations & Consulting authorizing it to implement a fuel surcharge.

5. The Board recognized Mr. Morales, the District's financial advisor, who introduced his colleague Larry Liu to the Board. Mr. Morales presented a cash flow analysis and recommendation with respect to the District's 2022 tax rate. The Board reviewed the analysis and recommendation, as well as the 2022 voter-approval tax rate worksheet. In the course of presenting his recommendation, Mr. Morales noted that the final debt service payment on the District's outstanding bonds will be due in 2024 and so the debt service tax rate recommended this year provides only 27% coverage of the debt service payment due in 2023. Further discussion ensued, with the Board considering the attached Resolution Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, Calling Public Hearing on 2022 Tax Rate, and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing. Upon unanimous vote, the Board found that the District is a developed District under Texas Water Code §49.23602 and adopted the attached Resolution so stating. The Board also authorized publication of a notice of public hearing at which the Board will consider adoption of a total 2022 tax rate of \$0.735 per \$100 assessed valuation, which the Board noted consists of a debt service tax of \$0.085 and a maintenance tax of \$0.65. The attorney noted that after considering a proposed tax rate, the District must update the internet posting required by Tax Code §26.18 and Government Code §2051.202. Upon unanimous vote, the Board authorized posting the required materials in compliance with these laws.

6. John Taylor presented an operations report, copy attached, reflecting 825 total connections and including 4 vacancies. Water accountability during the month was 93%. The sewage treatment plant had operated at 42% of permitted capacity and without excursions of permitted parameters.

Mr. Taylor presented three accounts in the total amount of \$338.57 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 presented an updated summary of progress on the survey of manholes in the District and stated the work would be wrapped up in approximately 60 days. The Board discussed addressing manhole and sidewalk issues in the future and considered granting authorization to the operator to repair raised or broken sidewalks if the damage was caused by a District sanitary sewer line. If the storm sewer caused the problem, then it should be addressed by Harris County. After further discussion of this subject, it was agreed that Mr. Taylor and Director Wilhelm should coordinate in preparing a list of damaged sidewalks for further review and consideration by the Board. Mr. Taylor then reported he had spoken with JACH Controls & Automations LLC concerning this contractor's final work at the District's water plant.

The Board then discussed the amount of water used during the billing cycle, noting amounts pumped from the District's well and amounts purchased from the West Harris County Regional Water Authority (WHCRWA). The Board directed its attention to the monthly invoice from the WHCRWA and questioned its accuracy. The Board requested that the District's operator compare this invoice to the District's well and surface water meter readings. Mr. Taylor then noted the WHCRWA had not rescinded Stage 1 drought measures, and he recommended that the District follow suit. The Board discussed and agreed with his recommendation, and also unanimously authorized the operator to rescind the District's drought measures if the WHCRWA rescinds its drought measures. Finally, Mr. Taylor introduced his colleague Mario Garcia to the Board. Thereafter, upon motion by Director Denmon, seconded by Director Scott, the Board voted unanimously to approve the operator's monthly report.

7. John Gerdes presented an engineer's report, copy attached. As noted earlier by the operator, JACH Controls & Automation has completed all contract punch list items. Mr. Gerdes presented the contractor's final pay application in the amount of \$5,440.14 and recommended payment of same. Upon unanimous vote, the Board authorized the payment. The Board asked about a separate electric meter for the District's well pump, and Mr. Gerdes stated it was possible, but the booster pumps were believed to have been causing the electrical spikes, so he advised delaying a decision to install a separate meter at this time.

Mr. Gerdes reported on the work by CFG Industries at the joint sewage treatment plant. The final inspection was conducted August 19, but the contractor must still hang the heavy pipe and do clean-up, and, due to recent rains, the ground is too wet for the contractor to bring in the crane for this work.

Mr. Gerdes reviewed the rest of his report, noting with regard to the fence repair that the color of stain applied to the wood on one side of the fence was incorrect, and the gate latch still needed to be replaced. Mr. Gerdes has draft sidewalk plans ready for review with Directors Scott and Manahan for the backslope, interceptor, and fence replacement project. After further discussion, upon motion by Director Wilhelm, seconded by Director Denmon, the Board approved the engineer's report.

8. The Board discussed the operator's conversion to the new Starnik billing software. Mr. Taylor stated the conversion process continues, and he noted that at the same time Municipal Operations & Consulting is moving the location of its office and so will change the bill payment address. After the software conversion the operators will continue to assist

customers with the transition and will scrutinize delinquencies to determine whether they are related to the change in software. As noted previously, the new software has the capability of sending mass customer notifications. For each emergency notification there will be a \$55 administrative fee and a charge of \$0.11 per email or text. Mass notifications would be made upon Board request.

9. The Board reviewed a landscape maintenance report from Michael's Maintenance Service. The Board noted that weed eating was not, but should be, occurring at the elevated area near the fence behind the Wheatstone Estates and Brookside Court subdivisions. The Board requested that this work be done. The Board also noted a need to power wash and re-stain area fencing, and John Gerdes stated he would contact the contractor who previously did similar work for the District and then confer with Michael Smith.

10. The Board considered an annual review of District interconnect agreements. Ms. Parks distributed a report summarizing the terms of the various contracts. The contract soonest to expire (in 2025) is the Emergency Water Supply Agreement with Harris County MUD No. 163; the terms of the other agreements extend to 2032 and beyond. No action was needed at this time.

11. The Board discussed the joint water supply contract with Harris County MUD No. 156. The previously negative balance in the joint water plant account had been resolved due to payments received from No. 156. Ms. Parks described discussions with No. 156's attorney, who had indicated that district's intent to pay regularly and promptly. The Board discussed the adequacy of the existing operating reserve. Ms. Francis would calculate an operating reserve based on the 2023 budget for Board consideration next month.

12. The Board discussed the District's 1986 joint sewage treatment plant contract with No. 156 and Harris County MUDs No. 172 and No. 173. The term of the 1986 agreement is 40 years. Ms. Parks reported having been approached by attorneys for No. 156 and No. 172 on behalf of their respective Boards requesting a new agreement. No specific request other than a new agreement was made by either district. After discussion, the Board agreed to consider any proposals or specific verbiage requests that are received.

13. The Board discussed the ownership of property at the channel between Brookside Court and Birkes Elementary. Ms. Parks reported that the attorney for No. 172 had communicated to her the request of the No. 172 Board for a letter agreement or memorandum of understanding regarding ownership of this property. The Board discussed this request and noted that the District's engineer had recently provided documents he believed reflected the status of title to the property. To obtain a definitive determination, the Board unanimously authorized obtaining a title report reflecting ownership and encumbrances of this property and would split the cost of the report with No. 172. The Board mentioned that property within No. 156 and No. 173 upstream of this ditch receives the most benefit from drainage via this ditch.

14. The Board discussed pending business. With further regard to the regional sewage treatment facilities, Ms. Parks noted that the date of the next quarterly meeting is October 10, and she would be sending a notice to all participants. The Board mentioned that no

other participant had attended the quarterly meeting held in July and directed that the participants be contacted prior to the October meeting to determine their intent to attend. The Board intends to cancel if no other participants will be there.

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

A handwritten signature in black ink, consisting of stylized initials and a long horizontal flourish extending to the right.

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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, September 19, 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 August 15, 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. Ratify approval of letter agreement with Municipal Operations & Consulting for fuel surcharge
3. 2022 Tax Rate: 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 Public Hearing
4. Update Compliance Document/Website for proposed tax rate
5. 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
6. Discuss weather conditions and review District's Drought Contingency Plan; authorize action, as appropriate
7. Operator's Starnik billing software conversion and mass notification capabilities; authorize action, as appropriate

8. Engineer's report, including:
  - a. status of electrical work and load analysis at water plant;
  - b. status of design, phasing of backslope interceptor and fence replacement project; and
  - c. authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders.
9. Report from Michael's Maintenance
10. Annual review of interconnect agreements
11. Joint water supply contract with Harris County MUD No. 156: monthly billing; operating reserve
12. Status of May 15, 1986 Contract for Financing, Construction and Operation of Regional Waste Treatment Facilities
13. Ownership of property at channel between Brookside Court and Birkes Elementary
14. Pending business, including:
  - a. comments from/discussion with other participants in regional facilities; and
  - b. 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



A handwritten signature in cursive script that reads "Melissa J. Parks".

Melissa J. Parks  
Attorney for the District