

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 147

September 14, 2022

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 147 (the "District") met in regular session, open to the public, on the 14th day of September, 2022, at 777 North Eldridge Parkway, Suite 500, Houston, Texas 77079 outside the boundaries of the District, and the roll was called of the members of the Board:

David E. Bugyi	President
Kay L. Pugh	Vice President
Michelle Miller	Secretary
Lynea Gallagher	Assistant Secretary
Vacant	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Stewart Black of Acclaim Energy ("Acclaim"); Spencer Day of Masterson Advisors, LLC ("Masterson"); Sherri Greenwood of Forvis, LLP ("Forvis"); Jolie Craft of Vogler & Spencer Engineering, Inc. ("V&S"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Stephanie Viator of District Data Services, Inc. ("District Data"); Clay Brandenburg, Tiffany Moore, Mirna Bonilla-Odums, and Tracy Butcher of Inframark Water & Infrastructure Services ("Inframark"); and Whitney Higgins and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the August 10, 2022, regular meeting and the minutes of the August 8, 2022, special meeting. After review and discussion, Director Pugh moved to approve the minutes of the August 10, 2022, regular meeting, and the minutes of the August 8, 2022, special meeting, as submitted. Director Gallagher seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Director Bugyi offered any members of the public attending the meeting the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Bugyi moved to the next agenda item.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2022

Ms. Greenwood reviewed an engagement letter from Forvis, to perform the District's audit for the fiscal year ending September 30, 2022. After review and discussion, Director Pugh moved to engage Forvis to conduct the audit for the fiscal year ending September 30, 2022, authorize execution of the engagement letter, and direct that the letter be filed appropriately and retained in the District's official records. Director Miller seconded the motion, which passed unanimously.

ELECTRICITY CONTRACT OPTIONS

Mr. Black presented and reviewed an electricity market update. The Board discussed potential participation in an electricity pool with Acclaim Energy and entering into an electricity contract, from beginning August 1, 2025, through April 30, 2029, at a rate not to exceed \$0.05995 per kilowatt hour. Following review and discussion, Director Miller moved to enter into an electrical aggregation pool for an electricity contract beginning August 1, 2025, through April 30, 2029, at a rate not to exceed \$0.05995 per kilowatt hour, and to authorize Directors Pugh, Miller, or Gallagher to execute the new contract, subject to final review of electricity contract options by Acclaim. Director Pugh seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez reviewed the tax assessor/collector's report, including the list of top delinquent taxpayers, a copy of which is attached. Discussion ensued. After review and discussion, Director Gallagher moved to approve the tax assessor/collector's report and payment of the tax bills. Director Pugh seconded the motion, which passed unanimously.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2022 tax rate. Mr. Day distributed and reviewed a tax rate analysis reflecting the recommendation for the District to levy a 2022 maintenance and operations tax rate of \$0.48360 per \$100 of assessed valuation, based on the District's initial 2022 certified value of \$180,033,429.00. A copy of the tax rate analysis is attached. Discussion ensued. Ms. Higgins discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Gallagher moved to (1) set the public hearing date for October 12, 2022; and (2) authorize the tax assessor/collector to publish notice in the Houston Chronicle of the District's meeting on October 12, 2022, to set the proposed 2022 total tax rate of \$0.48360 per \$100 of assessed valuation. Director Pugh seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Viator reviewed the bookkeeper's report, including the District's investments, a budget comparison, and a list of checks presented for approval, a copy of which is attached.

Ms. Viator then reviewed a draft budget for the fiscal year ending September 30, 2023, a copy of which is included in the bookkeeper's report. Discussion ensued regarding specific line items in the budget.

The Board discussed requesting the engineer to begin working on a 10-year Capital Improvements Plan.

After review and discussion, Director Pugh moved to (1) approve the bookkeeper's report and authorize payment of the District's bills; and (2) adopt the budget for the fiscal year ending September 30, 2023, as discussed and revised, subject to finalization by Director Pugh by September 26, 2022. Director Miller seconded the motion, which passed unanimously.

REPORT ON LIST OF COMMERCIAL BUSINESSES WITHIN THE DISTRICT

There was no discussion on this item.

SALE OF SERIES B GROUNDWATER CREDITS

Ms. Higgins reported that no inquiries were received regarding the sale of Series B groundwater credits.

DISCUSS PROFESSIONAL SERVICES AGREEMENT FOR OPERATING MATTERS

Mr. Brandenburg stated that Inframark is tabling the potential contract amendment to reflect a fuel surcharge and other fee increases.

OPERATION OF DISTRICT FACILITIES; HEARING ON TERMINATION OF WATER AND SEWER SERVICE

The Board then reviewed the operator's report, a copy of which is attached, including the status of District maintenance and repair items.

Mr. Brandenburg reviewed three abandoned accounts with an outstanding balance in excess of \$25.00, and requested authorization to turn over the accounts to the collection agency to pursue collection.

The Board discussed the message on the monthly utility bill. Mr. Brandenburg stated that the notice regarding reporting water leaks is currently on the utility bill.

Following discussion, the Board concurred to add the message regarding the hazards of pouring grease down the drains.

Mr. Brandenburg discussed a request received from a resident requesting that their original deposit to be refunded. Mr. Brandenburg noted that the resident still resides at the address the deposit is applied to. Discussion ensued. Following discussion, the Board concurred to deny the request due to the resident still residing and utilizing utilities at the address that the deposit is applied to.

The Board discussed high utility users for the month. The Board then considered terminating utility service to customers with delinquent accounts. Mr. Brandenburg reviewed a list of delinquent customers and noted the customers appearing on the termination list were given proper notice and an opportunity to explain, contest, or correct the utility service bills and show reason why utility service should not be terminated for reason of nonpayment, all as required by the District's Rate Order.

The Board discussed work performed by Inframark throughout the District. Discussion ensued.

Following review and discussion, Director Miller moved to (1) approve the operator's report; (2) authorize Inframark to turn over the accounts with an outstanding balance in excess of \$25.00 to the collection agency; and (3) authorize termination of service to the delinquent accounts presented if payment is not received prior to scheduled termination since none of the residents on the termination list were either present at the meeting or presented any statement on the matter, in accordance with procedures set forth in the District's Rate Order. Director Gallagher seconded the motion, which passed unanimously.

DISCUSS EMERGENCY MESSAGING SYSTEM, AND AUTHORIZE ACTION, IF NECESSARY

There was no discussion on this item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this item.

ENGINEER'S REPORT

The Board reviewed the engineer's report, a copy of which is attached.

Ms. Craft updated the Board on the status of Chelford City Regional Wastewater Treatment Plant operations and maintenance.

Ms. Craft updated the Board on the Phase 4 sanitary sewer rehabilitation.

Discussion ensued regarding the repair located at 3919 Vineyard Drive. Ms. Craft stated that the repair is complete and awaiting the post repair video to review.

Ms. Craft stated that West Harris County Municipal Utility District No. 4 is on interconnect while they conduct a repair. She noted the repair should be complete in mid-September.

Ms. Craft discussed a utility capacity request from Evergreen Land & Development LLC for approximately 50 single-family homes. She noted that the capacity letter provided to the developer stipulates that the District can only serve the portion of the project that is within the District. Discussion ensued.

Ms. Craft updated the Board on the status of a Notice of Violation from the Texas Commission on Environmental Quality. She stated that V&S is addressing the next steps for remedying the violation.

Ms. Craft updated the Board on the recoating of the water plant and stated that the warranty inspection was completed in August. She reported that hydroneumatic tank no. 1 requires repair and reviewed repairs options with the Board. Discussion ensued.

Ms. Craft stated that the next GIS system update will be released this month.

Ms. Craft updated the Board on HCMUD120 matters and stated that they have completed an emergency repair on the main line between Wingdale and Pfeiffer Drive. Ms. Craft reviewed Pay Estimate No. 1 for the repair provided by HCMUD120's engineer in the amount of \$78,534.75 and noted that per the Amended and Restated Joint Utilities Agreement, between the District and HCMUD120, that Pay Estimate No. 1 for the emergency repair is to be shared equally between the District and HCMUD120.

Following review and discussion, Director Gallagher moved to approve the proposal from Loran C. Company for a cost of \$2,280.00 for the repair on hydroneumatic tank no. 1, subject to verifying there is a one-year warranty. Director Pugh seconded the motion, which passed unanimously.

Director Gallagher then moved to approve the engineer's report. Director Pugh seconded the motion, which passed unanimously.

MAINTENANCE OF PARK AND RECREATIONAL FACILITIES, INCLUDING REFLECTION PARK

The Board discussed the maintenance of Reflection Park. Director Bugyi stated that he will request proposals for testing the irrigation system and installing a fence around the perimeter of the park.

ATTORNEY'S REPORT

There was no discussion on this item.

SECOND AMENDMENT TO THE AMENDED AND RESTATED JOINT UTILITIES AGREEMENT

There was no discussion on this item.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS REGARDING CORRESPONDENCE AND/OR REPORTS RECEIVED DURING THE MONTH

There were no other reports.

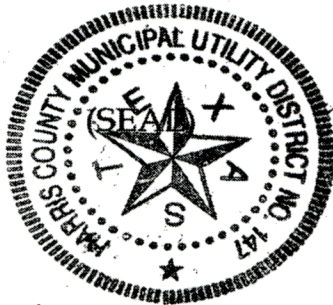
APPOINTMENT OF A NEW DIRECTOR

The Board discussed the appointment of a new Director.

CONSULTANT REVIEW OF TAX ASSESSOR/COLLECTOR

The Board deferred this item.

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




Secretary, Board of Directors

ACTION LIST

1. Operator will provide information regarding the fluoride conversion process.
2. Engineer will be begin working on a Capital Improvements Plan.
3. Bookkeeper will send budget to Director Pugh for final approval.
4. ABHR will coordinate a special meeting in January 2023 to discuss water and sewer rates.
5. Director Bugyi will bring proposals for Reflection Park at the next meeting.
6. Operator will check the cameras and lights at the water plant and lift station.

LIST OF ATTACHMENTS TO MINUTES

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