

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors

October 17, 2022

The Board of Directors ("Board") of Harris County Municipal Utility District No. 155 ("District") met October 17, 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

and the following absent:

Barbara Scott, Director.

Also present were Ms. Tonya Francis, District bookkeeper; Ms. Debbie Arellano, tax assessor-collector; Mr. John Taylor of Municipal Operations & Consulting; Mr. John Gerdes, District engineer; Mr. Pat Burke of Harris County MUD No. 172; 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 September 19, 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 99.199% through September 30.

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 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. No public comment was offered.

3. The Board further discussed bookkeeping matters with specific regard to park improvement expenditures. Ms. Francis noted that for reporting purposes the bookkeepers regularly show on the first page of the District's monthly report an allocation of general funds for park improvements. After discussion, the Board agreed it would instead prefer inclusion of a \$45,000 parks expenditure in the District's operating budget. Thereafter, upon motion duly made, seconded, and unanimously carried, the Board adopted the attached Resolution so amending the operating budget for the fiscal year ending August 31, 2023.

4. The Board discussed the District's 2022 tax rate. The tax assessor-collector confirmed her office had published notice of the District's intent to hold a public hearing and set the 2022 tax rate at this meeting. The Board opened a public hearing on the proposed \$0.735 rate. There were no members of the public present expressing an interest in commenting on the rate, so the Board concluded the hearing. Thereafter, it appeared to the Board that the Harris County Appraisal District had prepared and certified to the District's tax assessor-collector the final 2022 appraisal roll of the District. The Board considered the amount of taxes to be raised based on said valuation in order to meet debt service requirements on the District's outstanding bonds and for maintenance purposes. It was moved, seconded, and unanimously carried that there be passed and adopted the attached Order accepting the final appraisal roll and setting a tax rate of \$0.085 for each \$100 of assessed valuation shown on such roll for the purpose of debt service, and a rate of \$0.65 for maintenance and operations purposes. The Board executed an amendment to the District's Statement of Directors to reflect the tax rate, and the attorneys were directed to file executed copies with the Harris County Clerk and the Texas Commission on Environmental Quality as required by the Texas Water Code, and to furnish the tax assessor-collector for the District a certified copy of the Order levying the tax. Ms. Parks noted that the necessary materials would be provided to Bob Leared Interests to update the internet posting as required under the state Tax and Government codes.

5. The Board discussed the amount of the operating reserve under the joint water supply contract with Harris County MUD No. 156. Last month it was noted that the previously negative balance in the joint plant account had been resolved due to payments received from No. 156. Despite this, the Board discussed the adequacy of the existing operating reserve and had requested that the bookkeeper calculate a reserve based on the 2023 budget. Ms. Francis reported that the three-month reserve based on the 2022 budgeted expenditures was \$225,180 and both districts had paid their pro rata amounts based on ownership. Total budgeted expenditures for fiscal 2023 amount to \$990,505, resulting in a monthly expenditure of \$82,542 and equating to a three-month reserve of \$247,626. The Board noted its intention that a three-month reserve be maintained as provided in the joint plant agreement. As the reserve for 2023 was slightly more than for 2022, an additional amount should be deposited by each district. After discussion, the Board unanimously directed that correspondence be sent to No. 156 notifying it of the adjusted reserve amount and invoicing it for same.

6. John Taylor presented an operations report, copy attached, reflecting 825 total connections and including two vacancies. Water accountability during the month was 93%. The sewage treatment plant had operated at 38% of permitted capacity and without excursions of permitted parameters.

Mr. Taylor presented one account in the total amount of \$126.84 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, including an account for which the customer's payment had been returned unpaid by its bank, 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 reported that lift pump No. 2 in the north lift station at the sewage treatment plant had been removed for evaluation. Proposals for repair and replacement have been obtained and Mr. Taylor stated that an additional proposal would be obtained. To that end the Board discussed the matter further and considered having the operator install a starter, breaker, and a flight pump. After additional discussion, the District's operator and engineer will work together to obtain a proposal for retrofitting the lift station with a flight pump as well as an additional proposal to repair the pump that has been pulled. Mr. Taylor also stated he will look into equipment that could be installed to supply non potable water for backflushing.

The Board discussed the operator's conversion to Starnik billing software. This software has the capability of sending mass customer notifications, and the Board discussed details about this service. It also discussed billing conversion, and Mr. Taylor stated the District's conversion will be delayed until January or February 2023. Finally, Mr. Taylor addressed plans for recoating of fire hydrants. Mr. Taylor understands that contractor Brian Lunn will soon have capacity to prepare a proposal for the work. He will present it to the Board once received. After further discussion, upon motion the Director Denmon, seconded by Director Manahan, the Board voted unanimously to approve the operator's monthly report.

7. The Board briefly discussed matters related to the West Harris County Regional Water Authority. Drought measures were first addressed, and Mr. Taylor confirmed that the Authority's drought measures were still in place. The Board noted its previous authorization for the operator to rescind the District's stage 1 drought measures if the Authority rescinds its. Next, the Board acknowledged receipt of notice from the Authority of its intent to increase its groundwater pumpage and surface water purchase fees by an amount not to exceed \$0.25 effective January 1, 2023.

8. John Gerdes presented an engineer's report, copy attached. He updated the Board on the work by CFG Industries at the joint sewage treatment plant, noting that the work is complete, except for adjustment of the weirs which is underway. Mr. Gerdes next addressed the status of communications with the Texas Commission on Environmental Quality, as well as repair of the fence at 7938 Millbrook Lane. Regarding this fence, Mr. Gerdes recommended that the color of the stain be corrected when the District undertakes its project to power wash, clean, and stain its own fencing. To that end, Mr. Gerdes reported he had contacted

JAK about this work, and he understands the contractor's schedule will allow him to address this relatively soon. Mr. Gerdes had informed JAK of the area of fencing the Board next wants addressed and obtained a rough estimate of between \$20,000 and \$25,000 for the work. The Board discussed this project and thereafter, upon unanimous vote, authorized JAK to proceed with the work in an amount not to exceed \$25,000. Mr. Gerdes discussed the Phase 2 backslope interceptor and fence replacement project along Horsepen Creek to the east of the gas pipeline corridor. He requested authorization to obtain three bids for storm pipe and dirt work only, and after discussion, the Board gave its unanimous approval. After further discussion, upon motion by Director Wilhelm, seconded by Director Denmon, the Board approved the engineer's report.

9. The Board reviewed the landscape maintenance report for the month from Michael's Maintenance Service, a copy of which is attached to these minutes. The Board took no action on the report.


10. The Board discussed the ownership of the channel between Brookside Court and Birkes Elementary. Since last month a title report reflecting ownership and encumbrances for this property had been obtained. The District owns the property within its boundaries to the center line of the ditch, and No. 172 owns the corresponding property on the opposite side within its boundaries. In addition, separate easements have been granted to Harris County Flood Control District over both of these tracts. The Board noted that since ownership and the existence of Harris County Flood Control easements have now been definitively established, any party contacting the District desiring channel cleanup or maintenance, especially Harris County MUDs No. 156 and or No. 173, can be directed to approach Flood Control.

11. Director Wilhelm approached the Board to offer information concerning possible plans of the property owners association (POA) to repair its irrigation system along Longenbaugh from the Y to the water well. Director Wilhelm believed the District should encourage the POA to bid its repair project based on the use of potable water as well as non-potable water, since the District may be making non-potable water available. If the District does provide non-potable water, and the POA does bid its project both ways and the cost for use of non-potable water is higher, then Director Wilhelm thought it reasonable that the Board consider contributing funds to make up the difference. The Board took note of this idea and agreed to further consider it if the situation presents itself.

12. The Board opened the floor for comments from regional facility plant participants. Pat Burke complained about the handling of the most recently scheduled quarterly meeting. Ms. Parks apologized for the unsuccessful method of obtaining responses about attendance. John Gerdes stated he is available any time that any participant has a question or wants to meet. The Board discussed the situation and agreed it would be best to continue conducting quarterly meetings and going forward will contact all participants, including district directors, about their intent to attend, as the District still intends to cancel a meeting if no other participants plan to attend. Ms. Parks confirmed that all participants had since been notified that the District's engineer will be at the sewage treatment plant at 2:00 PM on Wednesday October 19, and anyone interested is welcome to attend.

13. The Board discussed pending business, including the addressing of manhole and sidewalk issues. As requested last month, Director Wilhelm and John Taylor have compiled a list of damaged sidewalks. The Board now requested that Mr. Taylor obtain pricing for sidewalk repairs. The Board commented that the list could be shared with Harris County so it could repair sidewalks damaged by storm sewers. The Board will further discuss this once it reviews pricing information.

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, October 17, 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.

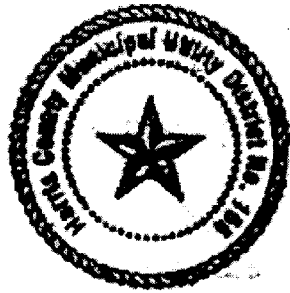
1. Approve minutes of meeting held September 19, 2022
2. Tax assessor-collector's report and payment of invoices
3. Bookkeeper's report and payment of invoices; review and approve investment report

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 amending general operating budget to include parks improvements
3. Public Hearing on Proposed 2022 Tax Rate; Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax and Maintenance and Operation Tax for the Year 2022
4. Amendment to Statement of Directors; Update Compliance Document/Website for 2022 tax rate
5. Operating reserve under joint water supply contract with Harris County MUD No. 156
6. 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
7. Matters related to West Harris County Regional Water Authority, including drought contingency measures and notice of anticipated 2023 fees
8. Engineer's report, including:
 - a. status of final work on rehabilitation of small 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. Pending business, including:
 - a. comments from/discussion with other participants in regional facilities;
 - b. report on ownership of property at channel between Brookside Court and Birkes Elementary; and
 - c. items for placement on next meeting agenda.
11. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071
12. 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