

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 183
Minutes of Meeting of Board of Directors
September 27, 2022

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 183 (the "District") met in regular session, open to the public on September 27, 2022, in accordance with the duly posted notice of public meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Rudy Alvarado, President
Anthony (Jerry) Langley, Vice President
Chad Vowell, Secretary
Robert Pollard, Assistant Secretary
Daniel Mushen, Assistant Secretary

all of whom were present, thus constituting a quorum.

Also present was Chad Walker of Quiddity Engineering, LLC ("Quiddity"); Jorge Diaz and Derek Davenport of McLennan & Associates ("McLennan"); Michelle Guerrero of Bob Leared Interests, Inc. ("Leared"); Kyle Donham of Si Environmental, LLC ("SE"); Debbie Shelton of Masterson Advisors, LLC ("Masterson"); Andrew Vincent of Martinez Architects ("Martinez"); Alan Aschenbeck of Texas Tree Depot ("TTD"); and Gina Free of Schwartz, Page & Harding, L.L.P. ("SPH").

Following the roll call, the President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

Mr. Ashenbeck addressed the Board regarding the proposed annexation of a 31 acre tract located west of Barker Cypress Road and south of and adjacent to Gummert Road (the "Subject Tract"). Mr. Walker advised that Quiddity's initial feasibility study will evaluate whether the District has water and sewer capacity to serve the Subject Tract, but that engineering work, including surveying and potentially design and plan approval, will be needed to determine whether facilities can actually be extended to serve the Subject Tract before recommending that the District annex and serve the Subject Tract. In connection therewith, Mr. Walker expressed concern with the existing site conditions including the existing development outside of the road right-of-way ("ROW"), the existing utilities within and adjacent to the Gummert Road ROW, and whether there will be enough space to obtain easements or enough space within the Harris County (the "County") road ROW to install said facilities. He noted that the County and City of Houston (the "City") have design criteria that must be satisfied in order to obtain plan approval from those regulatory agencies.

Mr. Walker then reminded the Board that Mr. Ashenbeck has proposed to pay all costs associated with the feasibility studies, engineering work, annexation, and all facilities and property rights necessary to serve the Subject Tract. Mr. Ashenbeck advised that the cost of the feasibility

study and engineering work described above will be expensive and therefore requested that the Board determine whether it is willing to pursue annexation assuming the District determines that serving the Subject Tract is feasible based on said studies and engineering work. Following discussion, Director Alvarado moved that the Board pursue annexation of the Subject Tract if, and only if, (i) the proposed development consists of single-family residential rental homes only, as previously presented to the Board by Mr. Ashenbeck and HHS Residential, (ii) Mr. Ashenbeck pay, without reimbursement by the District, all costs of the feasibility studies, engineering work, surveying, annexation costs, costs of designing and constructing the facilities necessary to serve the Subject Tract, and property rights needed in connection therewith, (iii) the Board determines, in its sole and absolute discretion, and based on Quiddity's capacity and facility feasibility studies, that there is capacity available, that all facilities can be constructed to serve the Subject Tract in accordance with all applicable regulatory design criteria, and property rights can be obtained for said facilities, and (iv) the City, the County, and all other entities with jurisdiction approve the plans and specifications for said facilities. The motion was seconded by Director Vowell, and carried with Directors Alvarado, Mushen, Pollard and Vowell voting in favor of the motion, and Director Langley abstaining.

Mr. Ashenbeck exited the meeting at this time.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the Board meetings held on August 23, 2022 and August 29, 2022. Upon review, Director Alvarado moved that the minutes of said meetings be approved, as written. Director Mushen seconded said motion, which unanimously carried.

DISCUSSION REGARDING THE PROPOSED ADMINISTRATIVE BUILDING

The Board next considered the status of the proposed administrative building. In connection therewith, Mr. Vincent presented to and reviewed with the Board proposed building designs, site plans, and vertical designs, as revised following the Board's previous Board meeting, copies of which are attached hereto as **Exhibit A**. A lengthy discussion ensued regarding same. Following discussion, the Board concurred in the selection of a vertical design plan, subject to minor adjustments. The Board expressed concerns regarding the estimated cost of the building. Mr. Vincent advised that Martinez will evaluate substitution which could decrease building costs.

BOOKKEEPER'S REPORT

Mr. Diaz presented and reviewed with the Board the Bookkeeper's Report, dated September 27, 2022, a copy of which is attached hereto as **Exhibit B**, including the disbursements presented for payment from the District's various accounts. Following review, Director Langley moved that the Bookkeeper's Report be approved, and the disbursements identified therein be approved for payment, except check no. 10485, which was voided. Director Vowell seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Guerrero reviewed the Tax Assessor-Collector's Report for the month of August 2022, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for payment from the District's Tax Account. After discussion, Director Alvaraco moved that the Tax Assessor-Collector's Report be approved and the disbursements identified therein be approved for payment from the District's Tax Account. Director Vowell seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT

The Board next considered the Delinquent Tax Collections Attorney's Report (the "Delinquent Report") from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto as **Exhibit D**. Ms. Free advised that Perdue has requested authorization to terminate water service to eligible delinquent accounts, as listed in the Delinquent Report. Following discussion, Director Alvarado moved that Perdue and SE be authorized to send water termination letters to those eligible accounts listed in the Delinquent Report in accordance with the District's Rate Order. Director Vowell seconded said motion, which carried unanimously.

FINANCIAL ADVISOR'S 2022 TAX RATE RECOMMENDATION

There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2022 tax rate. Ms. Free advised that, pursuant to the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with the meeting at which the adoption of a tax rate will be considered. She further advised that the information to be included in the notice is set forth in the Texas Water Code and includes the proposed tax rate to be adopted. Ms. Free advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven (7) days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten (10) days before the date of the meeting.

Ms. Shelton then presented and reviewed with the Board Masterson's 2022 Debt Service Tax Rate Recommendation, a copy of which is attached hereto as **Exhibit E**. After discussion on the matter, Director Alvarado moved that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2022 debt service tax rate of \$0.21 per \$100 of assessed valuation and a 2022 maintenance tax rate of \$0.245 per \$100 of assessed valuation, at its next meeting in the form and at the time required by law. Director Vowell seconded said motion which unanimously carried.

ENGINEER'S REPORT

Mr. Walker presented to and reviewed with the Board the Engineer's Report dated September 22, 2022, a copy of which is attached hereto as **Exhibit F**, relative to the status of various projects within the District. In connection therewith, he presented to and reviewed with the Board a bid tabulation for the 500-gallon fuel tank addition at Water Plant No. 1 (the "Fuel

Tank Project"), a copy of which is included with the Engineer's Report. Mr. Walker then advised the Board that Quiddity recommends that the Board award the contract for the Fuel Tank Project to W.W. Payton Corporation ("W.W. Payton") in the amount of \$120,000.

Mr. Walker next advised the Board that a Sanitary Sewer Easement is needed for the public sanitary sewer line extension at 5734 Barker Cypress Road. In connection therewith, he requested that the Board approve said Easement.

Mr. Walker next presented to and reviewed with the Board Quiddity's Notification of Change in 2022 Schedule of Hourly Rates, a copy of which is included with the Engineer's Report. A discussion ensued regarding same.

Following discussion, Director Alvarado moved to (i) accept the bid from W.W. Payton for the Fuel Tank Project, as recommended by Quiddity, (ii) approve the Sanitary Sewer Line Easement for the property located at 5734 Barker Cypress Road, and (iii) approve Quiddity's 2022 Schedule of Hourly Rates. Director Mushen seconded said motion, which unanimously carried.

UTILITY COMMITMENT LETTERS

The Board next considered requests for utility commitment letters. It was determined that this matter was previously discussed during the Engineer's Report.

OPERATIONS AND MAINTENANCE REPORT

Mr. Donham presented to and reviewed with the Board the Operations and Maintenance Report for the month of August 2022, a copy of which is attached hereto as **Exhibit G**. Following discussion, Director Alvarado moved to authorize termination of accounts in accordance with the District's Rate Order. Director Vowell seconded said motion, which carried unanimously.

Ms. Free next reported that the District received correspondence from the West Harris County Regional Water Authority ("WHCRWA"), a copy of which is attached hereto as **Exhibit H**. She stated that the WHCRWA groundwater reduction plan fee will increase from \$3.70 per 1,000 gallons pumped to \$3.95 per 1,000 gallons pumped, and that the WHCRWA surface water fee will increase from \$4.10 per 1,000 gallons delivered to \$4.35 per 1,000 gallons delivered, effective January 1, 2023. Ms. Free stated that an item will be included on a future agenda to amend the District's Rate Order to reflect said increases.

SECURITY REPORT

Ms. Free presented the security report to the Board, a copy of which is attached hereto as **Exhibit I**.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Ms. Free advised the Board that she had nothing additional of a legal nature that was not previously discussed.

FUTURE AGENDA ITEMS

The Board did not request any items be place on future agendas other than those already discussed and regular, on-going items.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Alvarado, seconded by Director Vowell, and unanimously carried, the meeting was adjourned.



Secretary, Board of Directors

**Harris County Municipal Utility District No. 183
EXHIBITS**

- Exhibit A Revised Administrative Building Design Plans
- Exhibit B Bookkeeper's Report
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Delinquent Tax Collections Attorney Report
- Exhibit E Tax Rate Recommendation
- Exhibit F Engineer's Report
- Exhibit G Operations and Maintenance Report
- Exhibit H WHCRWA Notice of Anticipated Fees
- Exhibit I Security Report

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