

SOUTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

February 14, 2023

The Board of Directors (“Board”) of Southwest Harris County Municipal Utility District No. 1 (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Harris County, Texas, on February 14, 2023 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Keith W. Bynam, President
Jo Ann W. Miller, Vice President
Stephanie A. Johnson, Secretary
Bruce Zaborowski, Director
Horace Q. Buckley, Director

and the following were absent:

None.

Also present were Mr. David Beyer of Storm Water Solutions; Mr. Robert Miller and Ms. Dawn Mouton of Inframark; Ms. Michelle Guerrero of Bob Leared Interests; Mr. Bob Ideus of Municipal Business Services, Inc.; and Mr. James D. Bonham of Smith, Murdaugh, Little, & Bonham, L.L.P.

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 minutes of the meeting of January 10, 2023 and upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.

2. The Board then recognized Mr. Bob Ideus who presented the bookkeeper’s report. The Board reviewed invoices presented by the bookkeeper and reviewed a schedule of District investments. The Board also reviewed the general fund budget comparison of actual versus budgeted revenues and expenditures for the fiscal year ending December 31, 2023. After review and discussion, upon unanimous vote, the Board approved the bookkeeper’s report and the checks listed thereon.

3. The Board then recognized the tax assessor who presented the tax assessor/collector’s report reflecting year 2022 taxes to be 84.5% collected. The Board reviewed activity in the tax account and the checks presented for the Board’s approval. The Board reviewed a schedule of delinquent taxes, and after discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the tax assessor/collector’s report and the checks drawn on the tax account. The Board also authorized transfer of a series of delinquent tax accounts to an uncollectable roll.

4. The Board then considered the attached Order confirming engagement of a delinquent tax attorney and levying an additional 20% penalty on 2022 taxes which remain delinquent on July 1, 2023 for real property and April 1, 2023 for personal property. After

review and discussion, the Board engaged the delinquent tax attorney and adopted the attached Order levying the penalty.

5. The Board then recognized Mr. Robert Miller who presented the operator's report and reviewed with the Board the billing and collections data which appears therein, as well as the repairs and maintenance required to the District's facilities during the previous month including fire hydrant repair and painting. The operator reported that 107% of the water pumped during the reporting period had been accounted for and advised that there were no waste discharge permit violations during the reporting period. After further discussion, upon unanimous vote, the Board approved the operator's report and authorized termination of water service to all customers on the delinquent account list in accordance with the District's Rate Order.

6. The Board then considered amendment of the District's Rate Order to reflect the required extreme weather event procedures and upon unanimous vote, the Rate Order was amended accordingly.

7. The attorney for the District then discussed with the Board the Federal Trade Commission requirements for adoption of an Identity Theft Prevention Program. The Board confirmed with the District's operator that the program is in place and is not in need of amendment, and upon unanimous vote, the Board adopted the attached Resolution affirming the District's Identity Theft Prevention Program.

8. The attorney for the District then discussed with the Board the requirement pursuant to Texas Local Government Code, Chapter 203, Subchapter D to file a report with the Texas Comptroller's Office including the District's audit, directors' names, contact information for the operator and tax assessor, and authorized and outstanding bonds. After discussion, upon unanimous vote, the attorney was authorized and instructed to prepare and file the necessary report.

9. The Board then recognized Mr. David Beyer of Storm Water Solutions who requested authorization to file the year four storm water permit report and conducted the year five training. Mr. Beyer reviewed with the Board the goals for year five and requested approval of a bill insert related to compliance. After discussion, upon unanimous vote, the Board authorized submission of the year four report as well as the bull insert.

10. The attorney for the District then discussed with the Board a proposed development by Urban Companies which would result in issuance of bonds of approximately \$2,800,000 and the addition of value of approximately \$30,000,000. The Board reviewed an analysis by the District's financial advisor and agreed to participate in the development with the understanding that there would be no developer reimbursement.

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


Secretary

SOUTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested members of the public that the Board of Directors of the captioned district will hold a public meeting at **2727 Allen Parkway, Suite 1100, Houston, Texas 77019.**

The meeting will be held at **11:15 a.m. on Tuesday, February 14, 2023.**

The subject of the meeting is to receive public comment on, consider and act on the following:

1. Minutes of Board of Directors Meeting(s)
2. Bookkeeper's Report; Checks and Invoices; Investment of District Funds; General Fund Budget; Depository Pledge Agreement(s)
3. Tax Assessor/Collector's Report; Invoices and Checks; Delinquent Tax Collections; Investment of District Funds; Tax Rate; Tax Exemptions
4. Order Levying Additional Penalty for Delinquent Taxes
5. Operator's Report; Operation, Maintenance and Repair of District Facilities; Rate Order; Water Well Permit; Waste Discharge Permit; Drought Contingency Plan; Customer Appeals; Termination of Service on Delinquent Accounts
6. Amend Rate Order
7. Resolution Affirming Identity Theft Prevention Program
8. Annual Report to Texas Comptroller per Senate Bill 625
9. Engineer's Report
10. Other Matters: Messaging Service; Insurance; Consultant Contracts; Contract for Electric Power; Audit Report; Critical Load Submission; Application to Texas Commission on Environmental Quality; Water Conservation Plan; Drought Contingency Plan; Continuing Disclosure
11. Public Discussion of Storm Water Management Plan; Documents Related to Storm Water Management Plan and Permit
12. Pending Business



A handwritten signature in black ink, appearing to read "James D. Bonham".

James D. Bonham, Attorney for the District