

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors

February 20, 2023

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 155 (“District”) met on February 20, 2023, 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. Michael Smith of Michael’s Maintenance Service, LLC; Mr. Jeff Penney of Harris County MUD No. 156; 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 January 16, 2023, which the Board approved as presented.

Tax assessor-collector’s report, copy attached, including invoices and a list of delinquent accounts. Through January 31, tax collections for 2022 are at 94.069% and for all prior years collections are 99.567% or higher.

After discussion by the Board, upon motion duly made, seconded, and unanimously carried, the Board approved the items on the Consent Agenda, including checks as reflected on the tax assessor-collector’s report.

2. The Board removed the bookkeeper’s report from the consent agenda and now reviewed it, a copy of which is attached hereto, including invoices, a schedule of investments, and an investment report. In response to a question from the Board, Ms. Francis stated that consultants are submitting their invoices using appropriate general ledger codes. John Gerdes discussed check No. 1203 payable to Texas Land Engineers Inc. and noted that the payment was not for engineering fees related to sidewalks but was in fact a proper joint sewage treatment plant expense. To the contrary, check No. 1199 payable to Michael's Maintenance Service for landscape maintenance was not a joint sewage treatment plant expense. Ms. Francis

voided said check and issued a replacement check from the general fund account in the same amount. After further discussion, upon motion by Director Wilhelm, seconded by Director Denmon, the Board voted unanimously to approve the bookkeeper's report as amended, including the checks listed thereon and as discussed above.

3. The Board opened the meeting for public comment. Jeff Penney reported on commercial and apartment development activity or lack thereof in Harris County MUD No. 156.

4. The Board considered an Order levying an additional 20% penalty on delinquent taxes to defray the cost of collection, as authorized in accordance with provisions of the Texas Tax Code. Upon motion duly made, seconded, and unanimously carried, the Board adopted the attached Order.

5. The Board considered adoption of a residence homestead exemption for persons aged 65 or older or disabled for the 2023 tax year. The Board revisited discussions from the previous meeting about the granting of such an exemption and the resulting reduction in District tax revenues. A motion was made for adoption of a \$10,000 exemption, but upon a vote of three against and one for, the motion failed.

6. The Board considered amendment of the District's Schedule of Water and Sewer Service Fees and Rates, specifically, an amendment of the base water rate. The Board discussed a \$6 reduction in the monthly base water rate and the expected effects of such a reduction in District water service revenue. After further discussion, upon unanimous vote, the Board adopted Order for Adoption of Schedule of Water and Sewer Service Fees and Rates, amended as discussed above.

7. The Board considered the attached Resolution Authorizing Use of Surplus Construction Funds. As discussed last month, the District had previously used operating funds to pay for the \$41,223 Millbrook Drive fence replacement project. The District had also funded an \$8,350 project for removal of trees in the same manner. The Board considered these expenditures and agreed they were eligible for funding with surplus capital projects funds. Thereafter, upon motion by Director Wilhelm, seconded by Director Manahan, the Board voted unanimously to adopt the attached Resolution authorizing use of \$49,573 in surplus construction funds and authorized the bookkeeper to transfer surplus funds in that amount to the District's general fund account. Such use of surplus construction funds will be reported in the District's annual audit for the fiscal year ending August 31, 2023.

8. The attorney mentioned to the Board Senate Bill 625/Texas Local Government Code Chapter 203, Subchapter D requiring the District's annual filing of certain financial information with the Texas Comptroller's Office. The Board authorized to the attorney to prepare and file the required report.

9. The Board reviewed the District's Identity Theft Prevention Program and was advised that no changes to the program were required at this time. Further, the District's operator presented an annual report certifying among other things there were no red flag incidents reported in 2022. Accordingly, upon motion duly made, seconded, and unanimously carried, the Board adopted the attached Resolution Affirming Identity Theft Prevention Program.

10. John Taylor presented an operations report, copy attached, reflecting 825 connections, including six vacancies. Water accountability during the month was 93%. The joint sewage treatment plant had operated at 41% of permitted capacity and within permitted parameters.

Mr. Taylor presented no uncollectable accounts for Board consideration of write-off this month. He submitted a list of delinquent accounts to the Board for termination of utility service and stated that these customers had 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.

The Board discussed installation of a sidewalk on the other side of the street from the Longenbaugh finger channel between Copperstone and Copper Creek. The operators had obtained a quote of \$11,098 for this installation and would coordinate the work with the District's engineer. After discussion, the Board authorized proceeding in accordance with the proposal.

Mr. Taylor reported that two 1,000-gallon chlorine tanks should be delivered to the joint sewage treatment plant in the second week of March. He next discussed fire hydrants and the fire line at the apartment complex in the District. The operators inspect the fire hydrants annually but do not repair or flush them. Per review of the apartment plans, the fire line is unmetered and utilizes reduced pressure zone backflow protection. The Board requested that the operator review its records for the most recent backflow prevention testing submitted by the apartment complex. The Board also sought confirmation of the operator's annual checking of the apartment's leak detector and its requiring submission of backflow prevention device inspections.

Mr. Taylor presented a proposal of \$6,500 for painting of water plant piping and pumps, and upon discussion, the Board accepted the proposal. Mr. Gerdes recommended that the thickness of the piping be tested at the same time, and the Board agreed. Finally, the Board reported that a tree had been planted at a location outside of the fence surrounding the joint sewage treatment plant and within the District's easement. The Board requested that the operator remove the tree. Mr. Gerdes would obtain the address of the location and provide it to Mr. Taylor. After further discussion of the operator's report, upon motion by Director Wilhelm, seconded by Director Denmon, the Board voted unanimously to approve the report.

11. The Board reviewed a proposed contract from Collections Unlimited of Texas Inc. as well as information about the company's record of performance. The purpose of the contract is for pursuing collection of delinquent water and sewer accounts approved for write-off by the Board. After review of the materials and discussion of the contract terms, the Board approved the contract upon unanimous vote.

12. The Board considered amendment of the District's Order Establishing Policy and Rates for Water and Sewer Service. The proposed amendment would add language to the policy addressing customer billing and collection during extreme weather emergencies pursuant to provisions in Senate Bill 3 adopted in 2021 by the Texas Legislature. After discussion, upon motion duly made, seconded, and unanimously carried, the Board adopted the attached Resolution for adoption of the order.

13. The Board discussed the District's Industrial Waste Order as it might pertain to evaluating the quality of sewage waste being discharged from the apartment complex within the District. The Industrial Waste Order applies to commercial users, and apartments are not defined as a commercial user. The Board requested that the operator and engineer consider and formulate a plan for regular sampling and testing of commercial and other non-single family residential customers for Board review and discussion, whether under existing provisions in the District's Rate Order and Industrial Waste Order or as these documents may need to be amended.

14. John Gerdes presented an engineer's report, copy attached. He first addressed the Phase 2 backslope interceptor and fence replacement project, noting he had walked the area with the parks committee and will modify the existing plans. He discussed the proposed modifications and stated his intent upon their completion to prepare a bid package and generate a cost estimate for Board review and approval.

Mr. Gerdes discussed the electrical meter at the Water Plant. To address management of power surges and spikes, Mr. Gerdes recommended either obtaining an industrial meter or installing a soft start on the water well motor. Mr. Gerdes is consulting with the District's electricity broker on these matters and will report back to the Board. Next Mr. Gerdes discussed the ground storage tanks at the Water Plant, noting they needed to be repainted and that minor repair work should also be undertaken. He recommended painting the tanks sequentially over the next three years and will put together plans and specifications and a cost estimate for discussion and review with Harris County MUD No. 156.

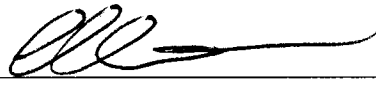
The engineer discussed a washout behind a slope panel near a District sidewalk. The washout is at a Harris County Flood Control District (HCFCD) facility within an HCFCD easement upon land owned by the District. Mr. Gerdes described actions which the District could take to address the washout, as there was no information about Flood Control's intention to address the matter. Mr. Gerdes had met at the site with a contractor and a geotechnical firm and obtained the proposal of approximately \$6,595 to fill the washout with a suitable material. The Board and Mr. Gerdes were mindful that during any such work, care should be taken to avoid damaging District sidewalks in the area. The contractor from whom the proposal was obtained had been made aware of this and could conduct the work accordingly. Thereafter, upon further discussion, the Board agreed to approve the proposal up to an amount not to exceed \$10,000, and authorized moving forward with the work. The District's engineer should oversee the work and inform Flood Control. Finally, the Board discussed the condition of the new gate at the sewage treatment plant driveway and noted it has settled and begun leaning at an angle. Mr. Gerdes will evaluate the situation and bring a proposal next month for addressing it. After further discussion, the Board unanimously approved the engineer's report.

15. There were no matters for Board consideration related to the West Harris County Regional Water Authority.

16. Michael Smith presented and reviewed a landscape report, copy attached. Regular maintenance is on schedule and the irrigation system is operating normally. Mr. Smith will bring a proposal for clean-up of tree limbs hanging over fences. He requested Board authorization to water the root balls of trees planted near the benches over an approximately 8-week period. He estimated a total of six visits at a rate of \$120 each, and the Board approved the work. He reported he was still working to prepare an irrigation proposal for Board review for the newly planted trees.

17. There were no comments from other participants in the regional sewage treatment facilities, and no matters of pending business to discuss.

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, February 20, 2023**.

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 January 16, 2023
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. Order Levying Additional Penalty for Delinquent Taxes
3. Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled
4. Amendment of Schedule of Water and Sewer Service Fees and Rates
5. Resolution Authorizing Use of Surplus Construction Funds
6. Annual report to Texas Comptroller pursuant to Senate Bill 625 (Texas Local Government Code, Chapter 203, Subchapter D)
7. Resolution Affirming Identity Theft Prevention Program
8. 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 ongoing projects
9. Contract for collection of accounts, including water/sewer account write-offs
10. Amendment of Order Establishing Policy and Rates for Water and Sewer Service to address billing under extreme weather emergencies pursuant to Senate Bill 3
11. Review of District's 9/16/02 Industrial Waste Order; authorize amendment or other actions as necessary and appropriate

12. Engineer's report, including:
 - a. backslope interceptor and fence replacement project;
 - b. lift station backwash system;
 - c. extension of hike and bike trail;
 - d. condition of channel near intersection of Horsepen Creek: notify Harris County or take other appropriate action; and
 - e. authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders
13. Matters related to West Harris County Regional Water Authority
14. Report from Michael's Maintenance; review irrigation proposal
15. Pending business, including:
 - a. comments from/discussion with other participants in regional facilities; and
 - b. items for placement on next meeting agenda.
16. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071
17. Reconvene in Open Session and act on matters discussed in Executive Session, as necessary





Melissa J. Parks
Attorney for the District