

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 183
Minutes of Meeting of Board of Directors
January 24, 2023

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 January 24, 2023, 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. Director Pollard entered after the meeting had been called to order as indicated herein.

Also present was Chad Walker of Quiddity Engineering, LLC ("Quiddity"); Jorge Diaz of McLennan & Associates ("McLennan"); Michelle Guerrero of Bob Leared Interests, Inc. ("BLI"); Kyle Dohnam of Si Environmental, LLC ("SE"); Debbie Shelton of Masterson Advisors, LLC ("Masterson"); and Gina Free and Sabrina Johnston 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

The Board deferred consideration of public comments after noting that no members of the public were in attendance.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the Board meeting held on December 22, 2022. Following discussion, Director Mushen moved that the minutes of the December 22, 2022 meeting be approved, as written. Director Vowell seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Diaz presented to and reviewed with the Board the Bookkeeper's Report, dated January 24, 2023, a copy of which is attached hereto as **Exhibit A**, including the disbursements presented for payment from the District's various accounts, and the District's Investment Report for the period ended December 31, 2022. Following review, Director Mushen moved that (i) the Bookkeeper's Report be approved, and the disbursements identified therein be approved for

payment, and (ii) the Investment Report for the reporting period ended December 31, 2022, be approved. Director Vowell seconded said motion, which carried unanimously.

Director Pollard entered the meeting during the Bookkeeper's Report.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH DISTRICT

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Free advised that pursuant to the terms of the District's Investment Policy and provisions of the Public Funds Investment Act, the Board is required to review and revise, if necessary, such list at least annually. She then presented to and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. Ms. Free further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officers, but that it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Mushen moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and (ii) the President and Secretary be authorized to execute same. Director Vowell seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Guerrero reviewed the Tax Assessor-Collector's Reports for the months of November and December 2022, copies of which are attached hereto as **Exhibit C**, including the disbursements presented for payment from the District's Tax Account. After discussion, Director Vowell moved that the Tax Assessor-Collector's Reports be approved and the disbursements identified in the Reports be approved for payment from the District's Tax Account. Director Alvarado seconded said motion, which carried unanimously.

EXEMPTIONS FROM TAXATION FOR 2023

Ms. Free outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code, as amended. She advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2023, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2023, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After discussion of the matter, Director Alvarado moved that the District (i) not grant a residential homestead exemption, and (ii)

grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$15,000 from ad valorem taxes levied by the District during the calendar year 2023, and that the Resolution attached hereto as **Exhibit D** relative to same be approved and adopted by the Board and the District. Director Pollard 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 E**. Ms. Free presented and reviewed said Delinquent Report with the Board. After discussion, the Board concurred that no action was required.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Ms. Free advised that the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the amount of personal property taxes, penalty and interest due the District on same in connection with taxes that become delinquent as of February 1, 2023 and remain delinquent sixty (60) days after the date on which they become delinquent. After discussion on the matter, Director Alvarado moved that the Resolution Adopting an Additional Penalty on Delinquent Personal Property Taxes of twenty percent (20%), attached hereto as **Exhibit F**, be passed and approved by the Board and the District, and that the District's Delinquent Tax Attorney be authorized to collect such delinquent personal property taxes, effective April 1, 2023. Director Vowell seconded said motion which carried unanimously.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Ms. Free informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Ms. Free recommended that, FORVIS, LLP ("FORVIS"), the District's auditor, be authorized to prepare and submit the information. After discussion on the matter, it was moved by Director Langley, seconded by Director Vowell and unanimously carried, that FORVIS be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

ENGINEER'S REPORT

Mr. Walker presented to and reviewed with the Board the Engineer's Report dated January 20, 2023, a copy of which is attached hereto as **Exhibit G**, relative to the status of various projects within the District. In connection therewith, Mr. Walker presented to and reviewed with the Board the bid tabulations for the proposed sanitary sewer line extensions at the Shops at Barker and the

Plaza at Barker, copies of which are included with the Engineer's Report. Mr. Walker then advised the Board that Quiddity recommends that the Board award the contracts for the proposed sanitary sewer line extensions at the Shops at Barker and the Plaza at Barker to Aranda Industries, LLC ("Aranda") in the amounts of \$68,463.00 and \$58,420.00, respectively. He then reminded the Board that both projects are being funded by the developers. In connection therewith, he advised the Board that additional deposits have been requested from the developers for both sanitary sewer line extension projects. Following discussion, Director Vowell moved to accept the bids from Aranda for the proposed sanitary sewer line extension at the Shops at Barker and the Plaza at Barker, as recommended by Quiddity, subject to receipt of additional funds, as discussed.

UTILITY COMMITMENT LETTERS

The Board considered requests for utility commitments. Ms. Free advised the Board that the District's Utility Commitments for the Shops at Barker and the Plaza at Barker have expired. Following discussion, Director Vowell moved to authorize the President to approve and execute extended Utility Commitments for the Shops at Barker and the Plaza at Barker upon receipt of Texas Ethics Commission Forms 1295 from the developers. Director Pollard seconded said motion, which carried unanimously.

\$8,425,000 UNLIMITED TAX BONDS, SERIES 2023

The Board next considered the District's \$8,425,000 Unlimited Tax Bonds, Series 2023 (the "Bonds"). In connection therewith, Mr. Walker advised the Board of the status of Bond Application Report No. 8 ("BAR No. 8").

PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Shelton next presented and reviewed with the Board the Bond Buyer 20 Bond GO Index, 15 Year History, the proposed Official Notice of Sale, and the Preliminary Official Statement in connection with the Bonds, copies of which are attached hereto as **Exhibit H**. After discussion, Director Vowell moved that, subject to review by the District's consultants, such offering documents be approved, completed and distributed in anticipation of the sale of the Bonds, and such Official Notice of Sale and Preliminary Official Statement be deemed to be final for all purposes with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process. The motion was seconded by Director Mushen and unanimously carried.

AUTHORIZE THE FINANCIAL ADVISOR TO ADVERTISE FOR THE SALE OF THE BONDS

The Board then considered authorizing Masterson to advertise for the sale of the Bonds. After discussion on the matter, Director Vowell moved that the Board authorize Masterson to advertise for the sale of Bonds in accordance with the Official Notice of Sale. Director Mushen seconded said motion, which unanimously carried.

APPROVE DESIGNATION OF PAYING AGENT/REGISTRAR IN CONNECTION WITH THE BONDS

The Board considered the designation of a Paying Agent/Registrar in connection with the Bonds. Ms. Free noted that The Bank of New York Mellon Trust Company, N.A. ("BONY") acts as paying agent/registrar for the District's outstanding bonds and has proposed to act in such capacity for the Bonds. After discussion on the matter, Director Vowell moved that the Board designate BONY as Paying Agent/Registrar in connection with the issuance of the Bonds. Director Mushen seconded said motion, which unanimously carried.

ATTORNEY GENERAL'S FEE

After further discussion concerning the sale and issuance of the Bonds, Director Vowell moved that McLennan be authorized to issue a check payable to the Attorney General of Texas for payment of transcript review fees. Director Mushen seconded the motion, which carried unanimously.

OPERATIONS AND MAINTENANCE REPORT

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

A discussion then ensued in connection with requests received from customers within the District for leak checks, and the associated cost to the District. In connection therewith, the Board requested that SE prepare a report reflecting the number of leak checks requested the last twelve (12) months, the results of said leak checks, and the cost of same to the District.

CONSUMER CONFIDENCE REPORTS

The Board next considered authorizing SE to provide certain required information to districts that received water from the District through an emergency interconnect in 2022 relative to the annual Consumer Confidence Reports. Ms. Free explained that, pursuant to requirements promulgated by the United States Environmental Protection Agency, the District is required to provide by April 1, 2023, a report containing various information regarding the District's water supply to any other water supplier which received water from the District through an interconnect during the prior calendar year. After discussion on the matter, it was moved by Director Pollard, seconded by Director Langley and unanimously carried, that SE be authorized to provide the required information, as discussed.

DISCUSSION REGARDING THE PROPOSED ADMINISTRATIVE BUILDING

The Board next considered the status of the proposed administrative building. In connection therewith, the Board discussed the addition of an electric sign for the proposed administrative building, or the electrical conduits necessary to add said sign at a later date. Following discussion, the Board requested that Martinez Architects provide the Board with information in connection with same at its next Board meeting.

SECURITY REPORT

Ms. Free presented the security report to the Board, a copy of which is attached hereto as **Exhibit J**. She then advised the Board of communication received from Harris County Sheriff's Office concerning an increase in rates, which become effective October 1, 2023. The Board concurred that no action was required in connection with the Security Report.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board next discussed the renewal of the District's insurance coverages and bonds and considered authorizing the solicitation of proposals for same. Ms. Free stated that the District's current insurance coverage with Arthur J. Gallagher & Co. ("Gallagher") will expire on March 31, 2023. After discussion concerning the various options available to the District, the Board concurred that SPH be authorized to solicit a renewal proposal for the District's insurance coverages from Gallagher.

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 Bookkeeper's Report
- Exhibit B Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Resolution Concerning Exemptions from Taxation
- Exhibit E Delinquent Tax Collections Attorney's Report
- Exhibit F Resolution Adopting an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit G Engineer's Report
- Exhibit H Official Notice of Sale and Preliminary Official Statement
- Exhibit I Operations and Maintenance Report
- Exhibit J Security Report

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