

WEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

Minutes of Meeting of Board of Directors
February 27, 2023

The Board of Directors (“Board”) of West Harris County Municipal Utility District No. 4 (“District”) met on February 27, 2023 at 303 Bridge Crest Blvd., Houston, Harris County, Texas, in accordance with the duly posted notice of said meeting, with a quorum of Directors present as follows:

Mary Gomez, President
Hanna Affram, Vice President
Anthony Rodriguez, Secretary
Michael Cummings, Treasurer

and the following absent:

None.

Also present were Ms. Raquel Garcia and Ms. Missy Steadman, the District’s operators; Ms. Michelle Guerrero, the District’s tax assessor-collector; Mr. Sean Humble, the District’s engineer; Mr. Bob Ideus, the District’s bookkeeper; and Ms. Jennifer B. Seipel, attorney for District. Also present was Mr. Dave Ciarella, the District’s electricity broker.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. The Board opened the floor for public comment. None was offered.

2. The Board reviewed the minutes of the meeting held on January 30, 2023.

Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

3. The Board considered a Resolution Affirming Review of Investment Policy, Strategies and Objectives, copy attached. Ms. Seipel noted that, pursuant to the Public Funds Investment Act, the District is required to review its investment policy annually to assure its compliance with Texas law. The attorney recommended no revisions at this time to the investment policy. Subject to that discussion, upon unanimous vote, the District adopted the resolution as presented.

4. Ms. Guerrero presented the tax assessor-collector's report, copy attached, which showed 93.2% collections for 2022 taxes as of the date of the report. She also noted that delinquent statements were mailed to those taxpayers who failed to meet the January 31, 2023 deadline. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon as presented.

5. The Board then considered the attached Order Levying Additional Penalty for Delinquent Taxes. The Order levies a 20% penalty on 2021 delinquent taxes for personal property on April 1, 2023 and real property on July 1, 2023. The attorney noted that the penalty goes to pay the District's delinquent tax attorneys for their collection efforts. After review, upon motion made, seconded, and unanimously carried, the Board adopted the Order as presented.

6. Mr. Ideus presented the bookkeeper's report, copy attached. The Board reviewed its budget comparisons and the checks to be issued for services rendered during the prior month. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and payment of the checks listed thereon.

7. Ms. Steadman presented the operator's report, copy attached. She noted 568 connections in the District with 85.2% water accountability for the previous month. The operator stated that the water accountability rate increased over the last month, but her office continues to investigate the lower-than-usual accountability figure. The District's wastewater treatment plant operated at 35% of its capacity. The operator then requested authorization to send the write-off list to collections. The operator then reviewed a list of delinquent accounts to the Board for termination of utility service. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the operator's report and action items thereon as presented.

8. The Board then reviewed the responsibilities of the District's operator. The operator confirmed that NTS will perform all of the District's electrical and mechanical maintenance and repair work with the exception of chlorination and generator work, which NTS does not do. The Board agreed with such course of action.

9. Pursuant to Federal Trade Commission rules, the Board then conducted its annual review of the District's Identity Theft/Red Flag Policy. The operator confirmed that the existing policy was working well and recommended no changes. Accordingly, the Board

unanimously passed the attached Resolution Affirming the District's Identity Theft Prevention Program.

10. The Board then considered amending its Rate Order to reflect changes in the rights of customers during "extreme weather emergencies," as defined by the Texas Public Utility Commission. Ms. Seipel stated that these rights include the right to continued water service during an extreme weather emergency and the option to participate in a payment plan for outstanding balances owed during an extreme weather emergency. Upon motion duly made and seconded, the Board unanimously approved the Rate Order as recommended.

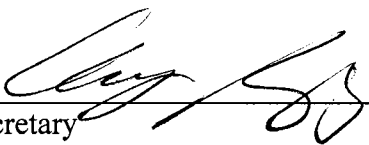
11. Mr. Humble presented the engineer's report, copy attached. The engineer noted that the District's wastewater treatment plant permit expires in March of this year, and he anticipates that the cost to renew such permit will be roughly \$15,000. The Board approved the commencement of such renewal. Director Gomez asked a question regarding some a sinkhole at 3838 Westheimer Place Drive, and the operators stated that they would look into the matter. Following that discussion, upon motion made and seconded, the Board unanimously approved the engineer's report as presented.

12. Ms. Seipel then discussed with the Board the requirements of Texas Local Government Code Chapter 203, Subchapter D (Senate Bill 625). The law requires districts to annually provide certain records and information concerning the District's finances and tax rates to the Texas Comptroller of Public Accounts. The comptroller has created a special information database on their website, where the information will be assembled, updated, and made available to the public free of charge. The required information is already publicly available in other places, but the law requires submission of the information to the comptroller. The information includes the name of the District, the names of the Board members, any employees, addresses, websites if applicable, names of certain consultants, the total amount of bonds authorized by District voters, the aggregate principal amount of bonds issued, the tax rate, and audited financial information. Upon unanimous vote, the Board authorized the attorney to prepare and file the required report by the April 1, 2023 deadline.

13. The Board reviewed the District's garbage contract. No further action was taken.

14. The Board then considered renewal of its electricity contract. Mr. Ciarella gave a presentation as to the District's options for the purchase of electricity for a variety of months and at different rates. Mr. Ciarella recommended that the Board select the lowest rate, which was with Direct Energy for a contract term of 37 months. After discussion, the Board agreed with the broker's recommendation and authorized finalization of the necessary contract documents.

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


Secretary