

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Board of Directors Meeting

June 19, 2023

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 149 (the "District") met in regular session, open to the public on June 19, 2023, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

John R. VanDyke, President
Stefanie Cline, Vice President
Margaret Petry, Secretary
Terrence Stephens, Assistant Secretary
Randall Kallus, Assistant Secretary

all of said persons were present, thus constituting a quorum.

Also present were: Jeffrey Bishop and Anna Katherine Parker of Quiddity Engineering LLC ("Quiddity"); Missy Steadman and Randy Davila of Inframark, LLC ("Inframark"); Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); Michelle Guerrero of Bob Leared Interests ("BLI"); Mike Scott of Champions Hydro-Lawn, Inc. ("Champions"); Bear Oakley of Acclaim Energy, Ltd. ("Acclaim"); and Katie Blasio and Michelle Guild of Schwartz, Page & Harding, L.L.P. ("SPH"). Matthew Reed of SPH entered later in the meeting as noted herein.

PUBLIC COMMENT

The Board began by opening the meeting for public comments. There being no members of the public present, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board reviewed the minutes of its April 27, 2023, May 18, 2023, and June 15, 2023, special Board meetings, and its May 15, 2023 regular Board meeting. After review and discussion of the minutes presented, Director Kallus moved that the minutes of the special meetings held on April 27, 2023, May 18, 2023, and June 15, 2003, and the regular meeting held on May 15, 2023 be approved, as presented. Director Cline seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Guerrero presented to and reviewed with the Board the Tax Assessor-Collector's Report, dated May 31, 2023, a copy of which is attached hereto as Exhibit A. After discussion, Director Cline moved that said report be approved and that the disbursements identified in the report be approved for payment from the tax account. Director Petry seconded said motion, which unanimously carried.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Blasio presented and reviewed with the Board the attached 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. Blasio 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 Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Kallus 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 or Vice President and Secretary be authorized to execute same. Director Stephens seconded said motion, which unanimously carried.

DELINQUENT TAX ATTORNEY'S REPORT

The Board considered the Delinquent Tax Attorney's Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto as Exhibit C. After discussion, the Board concurred that no action was required.

BOOKKEEPER'S REPORT

Ms. Michaux presented to and reviewed with the Board the Bookkeeping Report, dated June 19, 2023, including the checks presented for payment, a copy of which is attached hereto as Exhibit D. After discussion on the matter, it was moved by Director Cline that the Bookkeeping Report be approved, and that the disbursements identified therein be approved for payment. Director Petry seconded said motion, which unanimously carried.

OPERATOR'S REPORT

Mr. Davila presented to and reviewed with the Board the Operator's Report for the month of May 2023, a copy of which is attached hereto as Exhibit E. Mr. Davila advised the Board of an ammonia violation, which Inframark has addressed.

Mr. Davila then presented to and reviewed with the Board the list of delinquent accounts for the prior month. He requested authorization to move four (4) accounts to collections in the total amount of \$1,188.35 and to write off two (2) uncollectible accounts totaling \$40.08. Upon discussion, Director Kallus moved that Inframark be authorized to forward said accounts to collections and write off said uncollectible accounts, as requested. Director Stephens seconded said motion, which unanimously carried.

In connection with the annual Water Plant inspection, Ms. Steadman advised the Board that the District received a letter from the Texas Commission on Environmental Quality indicating that there were no violations.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board a written Engineer's Report, dated June 16, 2023, a copy of which is attached hereto as Exhibit F, relative to the status of various projects within the District.

Mr. Bishop reported to the Board regarding an issue with the generator at the new Wastewater Treatment Plant ("WWTP") and stated that Cummins Diesel Generator and CSA Construction, Inc. ("CSA") will remove the generator for repairs and provide a temporary generator to use as backup power to the WWTP. He also reported that CSA would like to demolish the old WWTP now instead of waiting for completion of the required thirty (30) days demonstration period of the construction contract. A lengthy discussion ensued and the Board concurred to defer action until a formal request from CSA is received. Mr. Bishop then presented Pay Estimate No. 22 in the amount of \$101,817.99 received from CSA for the WWTP Replacement Project (the "Project"), and recommended that the Board approve same. Upon discussion, Director Cline moved that Pay Estimate No. 22 from CSA in the amount of \$101,817.99 be approved, as recommended by Quiddity. Director Stephens seconded said motion, which unanimously carried.

In connection with the 2022 Sanitary Sewer Cleaning & Televising ("Cleaning & Televising"), Mr. Bishop reported that Pay Estimate No. 5 and Final in the amount of \$46,740.18, and Change Order No. 1 for a reduction of quantities in the amount of \$15,944.37 was received from Pro-Pipe, Inc. ("Pro-Pipe") for the Cleaning and Televising, and recommended that the Board approve same and accept the project as complete. Upon discussion, Director Cline moved that Pay Estimate No. 5 and Final in the amount of \$46,740.18, and Change Order No. 1 for a reduction in quantities in the amount of \$15,944.37 from Pro-Pipe be approved and accept the project as complete, as recommended by Quiddity. Director Stephens seconded said motion, which unanimously carried.

Mr. Bishop presented to and reviewed with the Board a cost summary for the 2023 Sanitary Sewer Rehabilitation Project in the amount of \$550,000. Ms. Blasio stated that the District may consider using surplus bond funds for said project. Upon discussion, Director Cline moved that Quiddity be authorized to prepare a bid package for the 2023 Sanitary Sewer Rehabilitation Project. Director Stephens seconded said motion, which unanimously carried.

Ms. Blasio advised that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (b) immediately upon any change in the information to the above entities, as well as to the Office of Emergency Management of Harris County, the Public Utility Commission of Texas, and the Division of Emergency Management of the Governor. Following discussion, Director Cline moved to authorize the District's consultants to make such submissions on behalf of the District, if necessary. Director Stephens seconded said motion, which unanimously carried.

Ms. Michaux exited the meeting at this time.

ENERGY MANAGEMENT AGREEMENT – ESTABLISHED DISTRICTS BETWEEN THE DISTRICT AND ACCLAIM ENERGY, LTD.

Mr. Oakley discussed with the Board a proposed Energy Management Agreement from Acclaim relative to changes in fees charged by Acclaim for the provision of energy consulting services, a copy of which is attached hereto as Exhibit G. Mr. Oakley also requested that the District pay Acclaim \$2,500 for the installation of a meter at the WWTP site completed in January 2023. Ms. Blasio stated that the costs associated with the installation process were previously absorbed by Acclaim and that the District was unaware such costs were incurred that the District would be backcharged for such costs. A lengthy discussion ensued. After discussion on the matter, Director Petry moved that (i) the Board approve said agreement as of today's date and authorize the President to execute same on behalf of the Board and the District, (ii) authorize SPH to acknowledge receipt of the required Texas Ethics Commission Form 1295 received from Acclaim, and (iii) that Acclaim's request to backcharge the District \$2,500 be denied. Director Cline seconded the motion, which carried unanimously.

Mr. Oakley exited the meeting at this time.

CHAMPIONS HYDRO-LAWN, INC. ("CHAMPIONS")

Mr. Scott presented to and reviewed with the Board the Detention and Drainage Facilities Report prepared by Champions dated June 19, 2023, a copy of which is attached hereto as Exhibit H. He noted that no action was required by the Board at this time.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Director VanDyke updated the Board regarding the activities of the Authority. He then presented a handout from the Authority's June 14, 2023 meeting, a copy of which is attached hereto as Exhibit I. The Board noted that no action was required.

VOTING SYSTEM ANNUAL FILING FORM

Ms. Blasio advised the Board that, pursuant to Section 123.061 of the Texas Election Code, the District is required to complete and file a Voting System Annual Filing Form with the Secretary of State to provide information related to District elections. After discussion, Director Stephens moved that the District's attorneys be authorized to complete the Voting System Annual Filing Form and to file same with the Secretary of State's office. Director Kallus seconded the motion, which carried unanimously.

RECORDS MANAGEMENT REQUEST

The Board considered a request from the District's Records Management Officer to destroy SPH's handwritten notes and audio and video recordings of Board meetings from February 21, 2022, to February 14, 2023. After discussion on the matter, Director Petry moved that the destruction of said notes and audio and video recordings be authorized as requested in accordance

with the provisions of the District's Records Management Program. Director Cline seconded said motion, which unanimously carried. A copy of the letter request is attached hereto as Exhibit J.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Ms. Blasio advised that she had nothing to report at this time.

Mr. Reed entered the meeting at this time.

EXECUTIVE SESSION

The President announced at 3:30 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code Section 551.071. All in attendance, with the exception of the Board, Mr. Reed, Ms. Blasio, and Ms. Guild, exited at this time.

The Board reconvened in Open Session at 3:56 p.m.

In connection with matters discussed during Closed Session, no action was required by the Board at this time.

FUTURE AGENDA ITEMS

A discussion ensued regarding the scheduling of a special meeting. Ms. Blasio stated that SPH will poll the Board of possible dates and prepare an agenda for said special meeting.

There being no further business to come before the Board, Director Petry moved that the meeting be adjourned. Director Cline seconded said motion, which unanimously carried.


Secretary, Board of Directors

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
EXHIBITS

June 19, 2023

- Exhibit A Tax Assessor-Collector's Report
- Exhibit B Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
- Exhibit C Delinquent Tax Report
- Exhibit D Bookkeeper's Report
- Exhibit E Operator's Report
- Exhibit F Engineer's Report
- Exhibit G Energy Management. Report
- Exhibit H Champions Hydro-Lawn, Inc. Report
- Exhibit I West Harris County Regional Water Authority Engineer's Report
- Exhibit J Records Management Request