

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 147

July 12, 2023

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 147 (the "District") met in regular session, open to the public, on the 12th day of July, 2023, at 777 North Eldridge Parkway, Suite 500, Houston, Texas 77079 outside the boundaries of the District, and the roll was called of the members of the Board:

David E. Bugyi	President
Kay L. Pugh	Vice President
Michelle Miller	Secretary
Lynea Gallagher	Assistant Secretary
Kirt Rimpela	Assistant Vice President/Treasurer

and all of the above were present, thus constituting a quorum.

Also attending the meeting in person were Jolie and Taylor Reed of Vogler & Spencer Engineering, Inc. ("V&S"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Angela Riley of District Data Services, Inc. ("District Data"); Clay Brandenburg and Randy Davila of Inframark Water & Infrastructure Services ("Inframark"); and Whitney Higgins and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 14, 2023, regular meeting. After review and discussion, Director Gallagher moved to approve the minutes of the June 14, 2023, regular meeting, as submitted. Director Miller seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Director Bugyi offered any members of the public attending the meeting the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Bugyi moved to the next agenda item.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Riley reviewed the bookkeeper's report, including the District's investments, a budget comparison, and a list of checks presented for approval, a copy of which is attached. Discussion ensued. Following review and discussion, Director Miller moved

to approve the bookkeeper's report and authorize payment of the District's bills. Director Gallagher seconded the motion, which passed unanimously.

Ms. Higgins stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation. After discussion, Director Gallagher moved to approve payment of directors' fees of office at the new maximum amount allowed by law, effective as of June 19, 2023. Director Rimpela seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT THE AWBD WINTER CONFERENCE

The Board discussed the AWBD summer conference. Ms. Riley noted the expenses were submitted in accordance with the District's travel guidelines. Following review and discussion, Director Gallagher moved to (1) approve reimbursement of eligible expenses for the summer conference; and (2) authorize all interested directors to attend the AWBD winter conference. Director Pugh seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez reviewed the tax assessor/collector's report, including the list of top delinquent taxpayers, a copy of which is attached. Discussion ensued. After review and discussion, Director Pugh moved to approve the tax assessor/collector's report and payment of the tax bills. Director Gallagher seconded the motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

Ms. Higgins discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2023 tax year.

Following review and discussion, Director Pugh moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed district for the 2023 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Miller seconded the motion, which passed unanimously.

REPORT ON LIST OF COMMERCIAL BUSINESSES WITHIN THE DISTRICT

There was no discussion on this item.

SALE OF SERIES B GROUNDWATER CREDITS

Ms. Higgins reported that no inquiries were received regarding the sale of Series B groundwater credits.

OPERATION OF DISTRICT FACILITIES

The Board discussed work performed by Inframark throughout the District.

The Board then reviewed the operator's report, a copy of which is attached, including the status of District maintenance and repair items.

Mr. Davila reviewed three abandoned accounts with an outstanding balance in excess of \$25.00, and requested authorization to turn over two accounts to the collection agency to pursue collection and for one account to be written off.

The Board discussed the message on the monthly utility bill. Mr. Davila stated that the current message is the notice regarding the increased water rates. Following review and discussion, the Board concurred to add the message regarding reporting leaks and water conservation.

The Board discussed high utility users for the month.

Mr. Brandenburg updated the Board on a resident request for reimbursement for a pipe that was replaced under the resident's home and the cost of the plumber to make the repair due to the resident's belief that the leak at their home was caused by a mainline leak in the District. He reviewed a timeline of events and the Board concurred to stand by their previous decision to deny the resident's request.

Following review and discussion, Director Miller moved to (1) approve the operator's report; and (2) authorize Inframark to turn over the two accounts with an outstanding balance in excess of \$25.00 to the collection agency and to write off one account. Director Pugh seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

No delinquent list was received by the Board.

DISCUSS EMERGENCY MESSAGING SYSTEM, AND AUTHORIZE ACTION, IF NECESSARY

There was no discussion on this item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this item.

ENGINEER'S REPORT

Mr. Reed updated the Board on the status of Chelford City Regional Wastewater Treatment Plant ("CCRWTP") operations and maintenance. He discussed CCRWTP's Capital Improvements Plan and discussed the warranty and possible replacement of the blower motors at the plant. Mr. Reed stated that the warranty for the blowers expires in 2024 and reviewed the planned pricing to replace the four blower motors at the plant. He stated that the approximate cost to replace the four blowers and install a new control panel is approximately \$1.2 million. Discussion ensued.

The Board then reviewed the engineer's report, a copy of which is attached.

Ms. Craft continued updating the Board on the status of CCRWTP operations and maintenance.

Ms. Craft updated the Board on the Phase 4 sanitary sewer rehabilitation and stated that bids were received. Ms. Craft recommended that the Board award the contract to the low bidder, TMS Utility ("TMS") in the amount of \$40,850.00. The Board concurred that, in its judgment, TMS was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Ms. Craft updated the Board on communication received regarding the acquisition of water line and water meter easements.

Ms. Craft updated the Board on the status of a Notice of Violation from the Texas Commission on Environmental Quality. She stated that V&S is addressing the next steps for remedying the violation.

Ms. Craft stated that the GIS system will be updated monthly.

Ms. Craft updated the Board on Harris County Municipal Utility District No. 120 matters.

Ms. Craft reported that a request was sent to Harris County Flood Control District to repair or replace a rusted outfall pipe adjacent to Reflection Park.

Following review and discussion, Director Gallagher moved to (1) approve the engineer's report; and (2) award the contract for the Phase 4 sanitary sewer rehabilitation to TMS in the amount of \$40,850.00, based upon the engineer's recommendation and receipt of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Pugh seconded the motion, which passed unanimously.

MAINTENANCE OF PARK AND RECREATIONAL FACILITIES, INCLUDING REFLECTION PARK

The Board discussed the maintenance of Reflection Park.

ATTORNEY'S REPORT

There was no discussion on this item.

INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT

The Board discussed participation in the Harris-Galveston Subsidence District ("HGSD") Water Wise Program for the 2023-2024 school year. After review and discussion, the Board concurred not to participate in the HGSD Water Wise Program for the 2023-2024 school year.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Higgins presented and reviewed a Capitol Report and updated the Board on legislative matters from the 88th Regular Texas Legislative Session.

EXECUTION OF AMENDED TO INFORMATION FORM

Ms. Higgins reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Higgins explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of

Harris County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Pugh moved to authorize execution of the Amendment to Information Form and to authorize filing with Harris County and the TCEQ. Director Gallagher seconded the motion, which passed unanimously.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS REGARDING CORRESPONDENCE AND/OR REPORTS RECEIVED DURING THE MONTH

There was no discussion on this item.

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




Secretary, Board of Directors

ACTION LIST

1. Operator will research when the last leak detection test was conducted in the District.
2. Operator will remove vines from the fencing at the lift station.
3. Director Bugyi will begin working on proposals for Reflection Park.

LIST OF ATTACHMENTS TO MINUTES

	Page <u>No.</u>
Bookkeeper's report.....	1
Tax assessor/collector's report	2
Operator's report.....	3
Engineer's Report.....	4