

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Board of Directors Meeting

July 17, 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 July 17, 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, Anna Katherine Parker and Samantha Curry of Quiddity Engineering LLC ("Quiddity"); Missy Steadman and Randy Davila of Inframark, LLC ("Inframark"); Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Mike Scott of Champions Hydro-Lawn, Inc. ("Champions"); Brian Toldan of McCall Gibson Swedlund Barfoot PLLC ("MGSB"), and Katie Blasio and Michelle Guild of Schwartz, Page & Harding, L.L.P. ("SPH"). Andy Parker of Parker & Sanchez, PLLC ("Parker Sanchez") joined the meeting via teleconference after it was called to order 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 June 19, 2023 regular Board meeting and its June 29, 2023, special Board meeting. After review and discussion of the minutes presented, Director Cline moved that the minutes of the regular meeting held on June 19, 2023, and the special meeting held on June 29, 2023, be approved as presented. Director Petry seconded said motion, which unanimously carried.

LEGISLATIVE SUMMARY OF THE 88TH REGULAR SESSION OF THE TEXAS LEGISLATURE

Ms. Blasio presented to and reviewed with the Board a Legislative Summary of the 88th Regular Session of the Texas Legislature prepared by SPH, a copy of which is attached hereto as Exhibit A.

ADOPTION OF RESOLUTION AUTHORIZING INCREASE IN FEES OF OFFICE

The Board considered adoption of a Resolution Authorizing an Increase in the Fees of Office. Ms. Blasio advised the Board that House Bill 2815, passed by the 88th Texas Legislature, amends Section 49.060 of the Texas Water Code to allow for an increase in director fees of office up to the amount of the per diem set by the Texas Ethics Commission for members of the legislature. Following discussion, Director Stephens moved that the Resolution Authorizing Increase in Fees of Office, attached hereto as Exhibit B, be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and District. Director Petry seconded the motion, which unanimously carried.

ADOPTION OF ORDER ADOPTING A CODE OF ETHICS, FEES AND EXPENSE POLICY, POLICY RELATING TO CONSULTING SERVICES, UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS, POLICY RELATING TO ADOPTION OF ANNUAL OPERATING BUDGET, AND CREATING AN AUDIT COMMITTEE ("CODE OF ETHICS")

Ms. Blasio presented to the Board a proposed Code of Ethics, a copy of which is attached hereto as Exhibit C, and advised that the language relative to the Fees and Expense Policy has been updated to provide that, with Board approval, directors may claim fees of office for virtual attendance or watching recorded sessions of conferences, but limited in number to the actual number of days of the conference during which live presentations were made. Following discussion, Director Petry moved that the Code of Ethics be approved, that the District's prior adopted code of ethics be revoked, and that the President and Secretary be authorized to execute the Code of Ethics on behalf of the Board and District. Director Kallus seconded the motion, which unanimously carried.

AMENDMENT TO DISTRICT INFORMATION FORM

Ms. Blasio presented to the Board an Amendment to the District's Information Form and advised that the Amendment updates the Notice to Purchasers ("Notice") provided to purchasers of real property within the District in accordance with recent legislative amendments to Section 49.452, Texas Water Code. A copy of the Notice is attached hereto as Exhibit D. After discussion on the matter, Director Petry moved that such Amendment be approved and that all Board members in attendance at the meeting be authorized to execute same on behalf of the Board and District. Director Kallus seconded said motion, which unanimously carried.

ANNUAL FINANCIAL REPORT AS OF MARCH 31, 2023

Mr. Toldan presented to and reviewed with the Board a draft of the District's audit report prepared for the fiscal year ending March 31, 2023, and discussed various sections of the audit report with the Board. The draft audit report is attached hereto as Exhibit E. After discussion concerning the audit presented, Director Cline moved that the audit report for the District's fiscal year ended March 31, 2023, be approved, subject to final review and comment by SPH, and the audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality. Director VanDyke seconded said

motion, which unanimously carried.

CONTINUING DISCLOSURE REPORT

The Board discussed the status of the District's continuing disclosure report due September 27, 2023. In connection therewith, Ms. Blasio advised the Board that once the final audit report has been completed, MGSB will provide a copy of same to McCall, Parkhurst & Horton, L.L.P. ("MPH"), Continuing Disclosure Counsel to the District, who will then file the continuing disclosure report with the appropriate entities prior to the September 27, 2023, deadline.

TAX ASSESSOR-COLLECTOR REPORT

Ms. McLaughlin presented to and reviewed with the Board the Tax Assessor-Collector's Report, dated June 30, 2023, a copy of which is attached hereto as Exhibit F. 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 Kallus seconded said motion, which unanimously carried.

DELINQUENT TAX ATTORNEY'S REPORT

The Board deferred consideration of the Delinquent Tax Attorney's Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), after noting that no report was received.

BOOKKEEPER'S REPORT

Ms. Michaux presented to and reviewed with the Board the Bookkeeping Report, dated July 17, 2023, including the checks presented for payment, a copy of which is attached hereto as Exhibit G. After discussion on the matter, it was moved by Director Kallus that the Bookkeeping Report be approved, and that the disbursements identified therein be approved for payment. Director VanDyke seconded said motion, which unanimously carried.

Mr. Toldan exited the meeting at this time.

OPERATOR'S REPORT

Mr. Davila presented to and reviewed with the Board the Operator's Report for the month of June 2023, a copy of which is attached hereto as Exhibit H. Mr. Davila advised the Board of an E. Coli violation at the new Wastewater Treatment Plant caused when getting such Plant online, which Inframark has addressed.

Mr. Davila presented to and reviewed with the Board a Water Quality Noncompliance Notification received from the Texas Commission on Environmental Quality, a copy of which is included with Exhibit H. He stated that there a violation at the new Wastewater Treatment Plant ("WWTP") and the problem was subsequently addressed. Mr. Davila stated that Inframark is monitoring the WWTP for compliance.

Mr. Davila then presented to and reviewed with the Board the list of delinquent accounts

for the prior month. He requested authorization to move five (5) accounts to collections in the total amount of \$680.42 and to write off three (3) uncollectible accounts totaling \$41.35. 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.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board a written Engineer's Report, dated July 14, 2023, a copy of which is attached hereto as Exhibit I, relative to the status of various projects within the District.

Mr. Bishop presented to and reviewed with the Board Pay Estimate No. 23 in the amount of \$62,595.00 received from CSA Construction, Inc. ("CSA") for the Wastewater Treatment Plant Replacement Project (the "Project"), and recommended that the Board approve same. He stated that the new Plant is online. Upon discussion, Director Petry moved that Pay Estimate No. 23 from CSA in the amount of \$62,595.00 be approved, as recommended by Quiddity. Director Stephens seconded said motion, which unanimously carried.

Mr. Parker teleconferenced into the meeting during the Engineer's Report.

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

Mr. Scott presented to and reviewed with the Board the Detention and Drainage Facilities Report prepared by Champions dated July 17, 2023, a copy of which is attached hereto as Exhibit J. He noted that no action was required by the Board at this time.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Director VanDyke stated that he did not have anything to report regarding the activities of the Authority.

ATTORNEY'S REPORT

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

The Board reconvened in Open Session at 4:09 p.m.

In connection with matters discussed during Closed Session, Director Petry moved to authorize Mr. Parker to file an answer/plea to the jurisdiction in connection with Cause No. 2022-

79830 and move towards mediation. Director Kallus seconded said motion, which unanimously carried.

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

FUTURE AGENDA ITEMS

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

July 17, 2023

- Exhibit A Legislative Summary of the 88th Regular Session of the Texas Legislature
- Exhibit B Resolution Authorizing Increase in Fees of Office
- Exhibit C Code of Ethics
- Exhibit D Notice to Purchasers
- Exhibit E Audit Report
- Exhibit F Tax Assessor-Collector's Report
- Exhibit G Bookkeeper's Report
- Exhibit H Operator's Report
- Exhibit I Engineer's Report
- Exhibit J Champions Hydro-Lawn, Inc. Report