

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors

August 21, 2023

The Board of Directors ("Board") of Harris County Municipal Utility District No. 155 ("District") met on Monday, August 21, 2023, at Workspace Suites, 16517 Longenbaugh Drive, Houston, Texas, in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Margaret K. Dawson, President
Jim Denmon, Vice President
Clint Wilhelm, Secretary
Corey Manahan, Director
Barbara Scott, Director

and the following absent:

None.

Also present were Ms. Tonya Francis, District bookkeeper; Ms. Debbie Arellano, tax assessor-collector; Mr. John Taylor of Municipal Operations & Consulting; Mr. John Gerdes of Texas Land Engineers, Inc.; Mr. Michael Smith of Michael's Maintenance Service, LLC; Mr. Jeff Penney of Harris County MUD No. 156; Ms. Wendy Ramirez of FORVIS, LLP; Mr. Bear Oakley of Acclaim Energy, Ltd; and Ms. Melissa J. Parks, attorney for the District.

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

1. The Board considered the following items from the Consent Agenda:

Minutes of the Board of Directors meetings held July 17 and August 5, 2023, which the Board approved as presented.

Tax assessor-collector's report, copy attached, including invoices and a list of delinquent accounts. Through July 31, the rate of collection of 2022 taxes is 99.112%.

Bookkeeper's report, a copy of which is attached hereto, as well as invoices, a schedule of investments, and an investment report.

After discussion by the Board, upon motion by Director Wilhelm, seconded by Director Scott, the Board voted unanimously to approve the items on the Consent Agenda, including checks as reflected on the tax assessor-collector's and bookkeeper's reports.

2. The Board discussed delinquent tax accounts. Ms. Parks presented a list of the delinquent accounts to which the attorneys had sent letters providing notice of termination of water service if taxes are not paid by August 22. Upon review and discussion, the Board authorized such terminations after August 22 if the accounts remain unpaid.

3. Ms. Parks informed the Board of preparation by her office of an updated Notice to Purchasers document as required under an amendment of the Texas Water Code that became effective in 2023. The form of the document was updated, but it contains the same substantive information about the District included prior to the statutory amendment. This form must be posted on the internet, and Ms. Arellano stated that her office has posted the document as required.

4. The Board opened the meeting for public comment. No public comment was offered, so the President moved to the next agenda item.

5. The Board tabled discussion of matters concerning the District's 2023 tax rate.

6. The Board considered annual budgets for the District's general operating fund, the regional sewage treatment plant, and the joint water plant. The bookkeepers have revised those budgets as directed by the Board at its special meeting of August 5. Upon further review of each budget, upon motion duly made, seconded, and unanimously carried, the budgets were approved and attached Resolutions adopting each budget were adopted. In connection with this action, the tax assessor-collector noted her office would post the adopted budgets on the internet as required under Texas Tax Code §26.18 and Texas Government Code §2051.202.

7. Ms. Ramirez approached the board and presented a proposal from FORVIS, LLP for performing the annual audit for the District's fiscal year ending August 31, 2023. Ms. Ramirez reviewed the proposal, noting a fee of \$19,600 for the District audit, with \$2,900 additional for the water plant audit and \$2,900 additional for the sewage treatment plant audit. A \$1,000 administrative fee would also be charged. After discussion, upon motion by Director Wilhelm, seconded by Director Scott, the Board unanimously agreed to the fees.

8. John Taylor presented an operations report, copy attached. The report reflected 826 connections, including two vacancies. Total water accountability during the month was 94%, and when limited to within the District, it was 85%. Accountability within the District had not improved after repair of leaks last month, so the operators will continue to find the source(s) of the problem. The sewage treatment plant operated 42% of permitted capacity.

Mr. Taylor submitted a list of 23 delinquent accounts eligible for termination of utility service and stated that these customers had been given written notification of the opportunity to appear, either in-person or in writing, at the Board meeting to contest, explain, or request correction of the charges, services, or disconnection. The affected customers were not in attendance, nor had anyone on their behalf contacted the operator's office or the District in response to the notification. After discussion, upon motion duly made, seconded, unanimously carried, the Board authorized the operator to proceed with termination of utility service to said accounts pursuant to provisions of the District's Rate Order.

Mr. Taylor reported a water main break on McCormick Drive which had recently been repaired. Mr. Taylor reported that the West Harris County Regional Water Authority had implemented Stage I voluntary reductions under its drought contingency plan due to climate and weather conditions. The Authority has requested all water users to voluntarily reduce their water

usage and also encouraged entities that are part of the Authority to implement drought response measures under their own drought contingency plans. Mr. Taylor recommended District implementation of its Stage I drought measures, and the Board agreed. The operators have begun placing signs in the District notifying customers of such implementation. After further discussion of operating matters, upon motion duly made, seconded, and unanimously carried, the Board approved the operator's report as presented.

9. The Board considered amendment of Municipal Operations & Consulting's contracts with the District. Mr. Taylor presented proposed second amendments to the operator's professional services agreements for the District's own facilities, for the joint wastewater treatment facility, and for the joint water plant. Since the last meeting, the Board reviewed Exhibit B of each agreement and compared it to the Exhibit B approved for each original contract. Mr. Taylor stated that the fees and charges would rise by 5.5% and would amount to an approximately 2% increase of the total amount invoiced monthly. The Board noted that it did take such an increase into account when approving budgets for the 2024 fiscal year. After further discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the contract amendments and authorized their execution by the proper District officers.

10. John Gerdes presented an engineer's report, copy attached. Mr. Gerdes confirmed work had been completed by Danny's Dozer to adjust the backslope interceptor and installation of inlets near an area of collapsed fence. The temporary irrigation system will be replaced with a permanent system, and the engineer had obtained three proposals for this work which he will submit to the Board's parks committee for review and selection of a contractor within the committee's allotted budget.

Mr. Gerdes discussed the main electrical breaker at the sewage treatment plant. He reported a breaker has been ordered at a cost of \$17,450.

Mr. Gerdes reported the engineers have prepared bid documents for cleaning, painting, and minor repair of ground storage tank No. 1. The project will be advertised as authorized by the Board last month, with bid opening scheduled for September 28 and work to begin in October or November, 2023. After further discussion of engineering matters, upon motion duly made, seconded, and unanimously carried, the Board approved the engineer's monthly report as presented.

11. The Board discussed management of electricity usage at the water and sewage treatment plants as well as a proposed energy management agreement with Acclaim Energy and the findings and recommendations of Acclaim's demand response project. Bear Oakley addressed the Board and began by briefly reviewing the District's current electricity contract with Reliant Energy which commenced May 1, 2023 and will terminate June 1, 2029. Mr. Oakley next discussed Acclaim's proposed energy management agreement for established districts and reviewed it with the Board. Under this agreement, Acclaim would begin to charge the District for addition of new meters at District facilities, for an annual cost and usage report, and for transaction verification reviews. The Board reviewed the proposed agreement and noted that at this time the District is not party to a contract with Acclaim. Acclaim acted as the electricity broker for the District's current contract with Reliant and is paid thereunder. After further discussion, the Board indicated it might enter into an agreement with Acclaim but would

prefer to be notified of Acclaim's hourly rate for consulting first, be informed of the term of the proposed agreement, and have the services performed only as and if requested by the District.

Mr. Oakley next discussed with the Board the results of Acclaim's electricity demand response study, a copy of which is attached hereto. The District's engineer reported he had forwarded this study to an electricity consultant with whom he works for further assistance. There was discussion regarding changes that could be made at the District's water plant, but the Board agreed to table further discussions until Mr. Gerdes was able to communicate with the District's consultant.


12. There were no further matters to discuss concerning the West Harris County Regional Water Authority beyond the discussion on drought contingency during the operator's report, although Mr. Taylor did indicate his understanding that the Authority may soon implement mandatory drought measures. If this happens, the operators will notify the Board.

13. Michael Smith presented and reviewed a monthly landscape maintenance report, copy attached. Regular maintenance is on schedule and the irrigation system is operating normally. The Longenbaugh channel has been treated with sulfur to get rid of snakes. Application of emergency insecticide was required for all trees and shrubs due to infestation by bores. Two trees on the back side of the water plant were lost to these pests and will be replaced in November if the Board so directs. Mr. Smith then reported on addition of bubblers to water the trees near the bench, as they are under stress due to drought conditions. After further discussion, upon motion by Director Wilhelm, seconded by Director Scott, the Board approved Mr. Smith's report.

14. The Board considered its annual review of the District's Rate Order and Fee Schedule, including any items recommended for change by the District's operator. The Board reviewed a worksheet on the subject, noting that the amounts charged by the District to its customers and by the operator to the District for voluntary termination and restoration of service were the same amounts, so the Board might consider increasing the District's charge to provide net revenue. However, after further discussion, the Board agreed this change was not necessary and took no action to amend the District's Rate Order or Fee Schedule. Likewise, the Board conducted its annual review of the District's Code of Ethics and unanimously agreed that the Code of Ethics was satisfactory in its current form.

15. The Board discussed pending business. There were no comments from other participants in the regional facilities.

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



Secretary

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155
NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at Workspace Suites, 16517 Longenbaugh Drive, Houston, Texas 77095.

The meeting will be held at **6:00 p.m. on Monday, August 21, 2023.**

The subject of the meeting is to consider and act on the following:

CONSENT AGENDA: The following items are considered routine by the Board and will be enacted by one motion if appropriate. No separate discussion will occur on these items unless a Board member or member of the public so requests, in which event, the item will be considered on the Regular Agenda.

1. Approve minutes of meetings held July 17 and August 5, 2023
2. Tax assessor-collector's report and payment of invoices
3. Bookkeeper's report and payment of invoices; review and approve investment report

REGULAR AGENDA: Consideration of and action on the following items, plus any items removed from the Consent Agenda.

1. Presentation of public comments
2. Resolution (1) Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, (2) Calling Public Hearing on 2023 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing
3. Resolution Adopting Operating Budget for Fiscal Year Ending 08/31/2024
4. Resolution Adopting Operating Budget for Regional Treatment Facilities for Fiscal Year Ending 8/31/2024
5. Resolution Adopting Operating Budget for Joint Water Plant for Fiscal Year Ending 8/31/2024
6. Update Compliance Document/Website for proposed tax rate and adopted budget
7. Engage Auditor for Fiscal Year Ending 8/31/2023
8. Operator's report; review active connections and water accountability; status of operation, maintenance, and repair of District facilities; consider customer appeals; approve termination of service on delinquent accounts; status of ongoing projects
9. Amendment of operator's contract

10. Engineer's report, including:
 - a. status of backslope interceptor project, removal and replacement of trees, and cleaning and staining of fence;
 - b. blasting/recoating of ground storage tanks;
 - c. management of electricity usage at water and sewer plants; and
 - d. authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders
11. Energy Management Agreement with Acclaim Energy; Demand Response Project findings and recommendations
12. Matters related to West Harris County Regional Water Authority
13. Report from Michael's Maintenance
14. Annual Review of Rate Order
15. Annual Review of Code of Ethics
16. Pending business, including:
 - a. comments from/discussion with other participants in regional facilities; and
 - b. items for placement on next meeting agenda
17. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071
18. Reconvene in Open Session and act on matters discussed in Executive Session, as necessary



Melissa J. Parks
Attorney for the District