

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 183
Minutes of Meeting of Board of Directors
July 25, 2023

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 183 (the "District") met in regular session, open to the public on July 25, 2023, in accordance with the duly posted notice of public meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Rudy Alvarado, President
Anthony (Jerry) Langley, Vice President
Chad Vowell, Secretary
Robert Pollard, Assistant Secretary
Daniel Mushen, Assistant Secretary

all of whom were present, except Director Pollard, thus constituting a quorum.

Also present was Chad Walker, Cameron Silvernail, and Kayla Shaunfield of Quiddity Engineering, LLC ("Quiddity"); Jorge Diaz and Derek Davenport of McLennan & Associates ("McLennan"); Michelle Guerrero of Bob Leared Interests, Inc. ("Leared"); Kyle Donham and Corey Andujar of Si Environmental, LLC ("SE"); Ricardo Martinez of Martinez Architects ("Martinez"); Mary DuBois of Acclaim Energy, Ltd. ("Acclaim"); and Gina Free and Sabrina Johnston of Schwartz, Page & Harding, L.L.P. ("SPH"). Debbie Shelton of Masterson Advisors LLC ("Masterson") entered later in the meeting as noted herein.

Following the roll call, the President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

The Board deferred consideration of public comments after noting that no members of the public were in attendance.

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the Board meeting held on June 27, 2023. Following discussion, Director Mushen moved that the minutes of the Board meeting held on June 27, 2023, be approved, as written. Director Vowell seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION AUTHORIZING INCREASE IN FEES OF OFFICE

The Board considered adoption of a Resolution Authorizing an Increase in the Fees of Office. In connection therewith, Ms. Free 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

member of the Texas Legislature. Following discussion, Director Alvarado moved that the Resolution Authorizing Increase in Fees of Office, attached hereto as **Exhibit A**, be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and District. Director Vowell 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. Free presented to and reviewed with the Board a proposed Code of Ethics and advised that 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 Mushen moved that the Order Adopting a Code of Ethics, attached hereto as **Exhibit B**, 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 Alvarado seconded the motion, which unanimously carried.

DISCUSSION REGARDING THE PROPOSED ADMINISTRATIVE BUILDING

The Board next considered the status of the proposed administrative building. In connection therewith, Mr. Martinez and Mr. Walker discussed interior plumbing options and the approximate cost of different types of pipes. Mr. Martinez then discussed the bidding process and the timeline for same. Ms. Free then advised that Harris County has not yet approved a Lease Agreement for a portion of the building that could be leased to the Harris County Sheriff’s Office and discussed the risks of proceeding without an approved Lease Agreement. Following discussion, Director Langley moved to (i) proceed with PEX pipes for the interior plumbing of the building, (ii) authorize the Construction Subcommittee consisting of Directors Langley and Vowell to review the contract and bid documents and to discuss said documents with the District’s consultants, including construction counsel, (iii) subject to approval and completion of the bid and contract documents, authorize Martinez Architects to proceed with advertisement, and (iv) authorize Martinez Architects to discuss the bid results with Directors Mushen and Vowell prior to the Board’s September Board meeting. Director Vowell seconded said motion, which carried unanimously.

BOOKKEEPER’S REPORT AND INVESTMENT REPORT

Mr. Diaz then presented to and reviewed with the Board the Bookkeeper’s Report, dated July 25, 2023, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for payment from the District’s various accounts, and the District’s Investment Report for the period ended June 30, 2023. Following review, Director Alvarado moved that (i) the Bookkeeper’s Report be approved, (ii) the disbursements identified therein be approved for payment, and (iii) the Investment Report for the reporting period ended June 30, 2023, be

approved. Director Mushen seconded said motion, which unanimously carried. Mr. Diaz then presented to and reviewed with the Board a proposed amended operating budget for the District's fiscal year ending June 30, 2024, a copy of which is included with the Bookkeeper's Report. Discussion ensued regarding adjustments to certain items included in the proposed amended budget. Following discussion, the Board concurred to defer approval of the amended operating budget at this time.

Ms. Shelton entered the meeting during the Bookkeeper's Report.

Mr. Walker then presented to and reviewed with the Board an Annual Additional Revenue Options based on the District's current water and sewer rates, and a Ten Year Operating Cash Flow Forecast prepared by Quiddity, a copy of which is attached hereto as **Exhibit D**. A lengthy discussion ensued regarding prioritizing certain projects. Mr. Diaz, Mr. Walker, and Ms. Shelton responded to the Board's questions and concerns in connection therewith. Following discussion, Director Alvarado moved to authorize Quiddity to prepare an analysis of the impact certain Annual Additional Revenue Options would have on water and sewer rates for the District's customers. Director Langley seconded said motion, with unanimously carried.

Mr. Martinez exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Guerrero then reviewed the Tax Assessor-Collector's Report for the month of June 2023, a copy of which is attached hereto as **Exhibit E**, including the disbursements presented for payment. After discussion, Director Vowell moved that the Tax Assessor-Collector's Report be approved and the disbursements identified in the Report be approved for payment. Director Langley seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT

The Board next considered the Delinquent Tax Collections Attorney's Report (the "Delinquent Report") from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached hereto as **Exhibit F**. In that regard, Ms. Free presented to and reviewed said Delinquent Report with the Board. After discussion, the Board concurred that no action was required.

APPROVAL OF ENERGY MANAGEMENT AGREEMENT

Ms. DuBois then presented to and reviewed with the Board a proposed Energy Management Agreement for Established Districts (the "Agreement") from Acclaim relative to changes in fees charged by Acclaim for the provision of energy consulting services, attached hereto as **Exhibit G**. Following discussion on the matter, Director Alvarado moved to (i) approve said Agreement between the District and Acclaim, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) accept Acclaim's Texas Ethics Commission ("TEC") Form 1295, and authorize SPH to acknowledge the District's receipt of same with the TEC. Director Langley seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Walker next presented to and reviewed with the Board the Engineer's Report dated July 25, 2023, a copy of which is attached hereto as **Exhibit H**, relative to the status of various projects within the District, and discussed the matters contained therein. Following discussion, Director Alvarado moved to approve (i) Pay Estimate No. 1 in the amount of \$50,703.30 from Aranda Industries, LLC ("Aranda") for the construction of the Sanitary Sewer Extension to serve the Shops at Barker, and (ii) Pay Estimate No. 1 in the amount of \$45,201.00 from Aranda for the construction of the Sanitary Sewer Extension to serve the Plaza at Barker. Director Vowell seconded said motion, which unanimously carried.

UTILITY COMMITMENT LETTERS

The Board deferred the issuance of utility commitments, as no requests for same had been received.

OPERATIONS AND MAINTENANCE REPORT

Mr. Donham presented to and reviewed with the Board the Operations and Maintenance Report for the month of June 2023, a copy of which is attached hereto as **Exhibit I**. In connection therewith, he advised that SE received an appeal from a customer requesting an adjustment to his/her water bills for the months of January, February, March, and April of 2023. A lengthy discussion ensued regarding same. Following discussion, Director Vowell moved to (i) deny the appeal received requesting an adjustment to the customer's water bill at this time, unless additional information is received that would justify reconsideration of said appeal, and (ii) authorize the termination of accounts in accordance with the District's Rate Order. Director Langley seconded said motion, which carried unanimously.

Mr. Donham then reminded the Board that (i) it previously authorized SE to proceed with the purchase and installation of District name signs to replace all existing signs, and (ii) requested that SE confirm the District's designation as a "Superior Water System" and to include that information on the District's new name signs. In connection therewith, he advised the Board that the District's designation as a "Superior Water System" has been confirmed and that signs containing said information would be ordered as previously authorized.

Director Alvarado exited the meeting during the Operations and Maintenance Report.

AMENDMENT TO THE DISTRICT'S RATE ORDER

Ms. Free next reminded the Board of SE's increased rates effective May 26, 2023, based upon the Consumer Price Index, in accordance with the Professional Service Contract between SE and the District. In connection therewith, she presented to and reviewed with the Board an amended Rate Order for consideration, attached hereto as **Exhibit J**. Ms. Free noted that the proposed Rate Order incorporates SE's increased rates, as recommended by SE. Following discussion, Director Vowell moved that the District's Rate Order be amended, as presented,

effective July 25, 2023, and all prior Rate Orders be revoked. Director Mushen seconded said motion, which unanimously carried.

SECURITY REPORT

Ms. Free presented the security report to the Board, a copy of which is attached hereto as **Exhibit K**.

COMMUNICATION WITH DISTRICT RESIDENTS

The Board next considered communication with the District's residents. Following discussion, the Board concurred to defer action on the matter at this time.

STATUS OF ARBITRAGE REBATE REPORT

The Board next considered the Project Yield Restriction Calculations for the 5th Year Computation Period (the "Report") for the District's \$2,740,000 Unlimited Tax Bonds, Series 2018 prepared by Arbitrage Compliance Specialists, Inc. ("ACS"). In connection therewith, Ms. Free presented to and reviewed same with the Board the Report, a copy of which is attached hereto as **Exhibit L**. She noted that said Report indicates that no Board action or filings are required for the Series 2018 Bonds at this time.

APPROVAL OF AMENDMENT TO THE DISTRICT'S FOURTH AMENDED AND RESTATED DISTRICT INFORMATION FORM

Ms. Free presented to the Board an Amendment to the District's Fourth Amended and Restated District Information Form and advised that the Amendment updates the Notice to Purchasers provided to purchasers of real property within the District in accordance with recent legislative amendments to Section 49.452, Texas Water Code. After discussion on the matter, Director Vowell moved that the Amendment to the District's Fourth Amended and Restated District Information Form 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 Langley seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Ms. Free advised the Board that she had nothing additional of a legal nature that was not previously discussed.

FUTURE AGENDA ITEMS

The Board did not request any items be place on future agendas other than those already discussed and regular, on-going items.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Vowell, seconded by Director Langley, and unanimously carried, the meeting was adjourned.



Secretary, Board of Directors

(SEAL)



**Harris County Municipal Utility District No. 183
EXHIBITS**

- Exhibit A Resolution Authorizing Increase in Fees of Office
- Exhibit B Order Adopting a Code of Ethics
- Exhibit C Bookkeeper's Report
- Exhibit D Annual Additional Revenue Options and Ten Year Operating Cash Flow Forecast
- Exhibit E Tax Assessor-Collector Report
- Exhibit F Delinquent Tax Collections Attorney Report
- Exhibit G Acclaim Energy Management Agreement – Established Districts
- Exhibit H Engineer's Report
- Exhibit I Operations and Maintenance Report
- Exhibit J Rate Order
- Exhibit K Security Report
- Exhibit L Project Yield Calculations for 5th Year Computation Period

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