

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 183
Minutes of Meeting of Board of Directors
June 27, 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 June 27, 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. Director Pollard entered later in the meeting as noted herein.

Also present was Chad Walker of Quiddity Engineering, LLC ("Quiddity"); Jorge Diaz of McLennan & Associates ("McLennan"); Michelle Guerrero of Bob Leared Interests, Inc. ("Leared"); Carlous Smith of Si Environmental, LLC ("SE"); and Gina Free and Sabrina Johnston of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Diaz 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 special Board meeting held on May 19, 2023. Following discussion, Director Alvarado moved that the minutes of the special Board meeting held on May 19, 2023, be approved, as written. Director Langley seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR TO PREPARE DISTRICT'S AUDIT FOR THE DISTRICT'S FISCAL YEAR ENDING JUNE 30, 2023

The Board next considered the engagement of an auditor to prepare the District's audit report for its fiscal year ending June 30, 2023. In that regard, Ms. Free presented to and reviewed with the Board an engagement letter prepared by FORVIS, LLP ("Forvis"), and advised that the estimated cost for preparation of the District's audit is \$18,900 plus a \$1,000 administrative fee to

cover various out-of-pocket expenses. A copy of the engagement letter is attached hereto as **Exhibit A**. After discussion on the matter, Director Alvarado moved that (i) Forvis be engaged to prepare the District's audit report for the District's fiscal year ending June 30, 2023, (ii) the engagement letter be approved, as presented, and the President be authorized to execute same on behalf of the Board and the District, and (iii) Texas Ethics Commission ("TEC") Form 1295 from Forvis be accepted and SPH be authorized to acknowledge receipt of same with the TEC. Director Langley seconded said motion, which unanimously carried.

Director Pollard and Mr. Diaz entered the meeting at this time.

BOOKKEEPER'S REPORT AND INVESTMENT REPORT

Mr. Diaz then presented to and reviewed with the Board the Bookkeeper's Report, dated June 27, 2023, a copy of which is attached hereto as **Exhibit B**, including the disbursements presented for payment from the District's various accounts, and the District's Investment Report for the period ended May 31, 2023. Following review, Director Alvarado moved that (i) the Bookkeeper's Report be approved, (ii) the disbursements identified therein be approved for payment, except check nos. 10871 and 10879, which were voided, and (iii) the Investment Report for the reporting period ended May 31, 2023, be approved. Director Mushen seconded said motion, which unanimously carried.

OPERATING BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2024

Mr. Diaz presented to and reviewed with the Board a proposed operating budget for the District's fiscal year ending June 30, 2024, a copy of which is attached hereto as **Exhibit C**. Discussion ensued regarding adjustments to certain items included in the proposed budget. Ms. Free advised that the proposed generator project identified in budget items 12902 and 12903 will be paid from bond proceeds and should be removed from the District's general operating budget. Following discussion, it was moved by Director Vowell that the operating budget for the District's fiscal year ending June 30, 2024 be adopted, subject to removal of budget items 12902 and 12903. Director Alvarado seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

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

DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT

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

ENGINEER'S REPORT

Mr. Walker presented to and reviewed with the Board the Engineer's Report dated June 27, 2023, a copy of which is attached hereto as **Exhibit E**, relative to the status of various projects within the District.

Mr. Walker then advised that the 500-gallon fuel tank addition at Water Plant No. 1 (the "Fuel Tank Addition") is complete. In connection therewith, he presented Pay Estimate No. 1 & Final from W.W. Payton Corporation ("W.W. Payton") in the amount of \$120,000.00, the Certificate of Substantial Completion, and the Certificate of Acceptance for the Board's approval.

Ms. Free then reminded the Board that it previously adopted a Resolution Authorizing the Use of Surplus Construction Funds and Interest Earned on Construction Funds for the Fuel Tank Addition, which authorized the District to use \$108,000 in surplus funds to finance said project. Ms. Free advised that the cost of the Fuel Tank Addition exceeded the estimate. She then recommended that the Board authorize the use of additional surplus construction funds to cover the additional \$12,000 in construction costs plus the engineering invoices associated with the Fuel Tank Addition. In connection therewith, Ms. Free presented to and reviewed with the Board a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds, attached hereto as **Exhibit F**.

Following discussion, Director Langley moved that the Board (i) approve Pay Estimate 1 & Final, the Certificate of Substantial Completion, and the Certificate of Acceptance in connection with the Fuel Tank Addition, and (ii) adopt a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds in connection with the Fuel Tank Addition. Director Mushen seconded said motion, which unanimously carried. The Board then concurred to conduct a tour of the District's facilities on July 27, 2023 at 9:00 a.m.

Mr. Walker next presented to and reviewed with the Board a 30-Year Capital Improvement Plan Summary and a 10-Year Anticipated Projects Funding Summary (collectively, the "CIP"), dated June 20, 2023, copies of which are attached hereto as **Exhibit G**. Discussion ensued regarding same. It was noted that no action was required in connection with the CIP at this time.

UTILITY COMMITMENT LETTERS

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

OPERATIONS AND MAINTENANCE REPORT

Mr. Smith presented to and reviewed with the Board the Operations and Maintenance Report for the month of May 2023, a copy of which is attached hereto as **Exhibit H**.

The Board then considered the purchase and installation of new District name signs, as previously requested. In connection therewith, Mr. Smith advised the Board that said signs will cost \$250.00 each. Following discussion, the Board concurred to authorize SE to proceed with the

purchase and installation of District name signs to replace all existing signs. The Board further requested that SE confirm the District's designation as a "Superior Water System" and concurred to include that information on the District's new name signs.

Ms. Free then advised the Board 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 (i) 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 (ii) 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.

Mr. Smith next presented to and reviewed with the Board the Operator's Contractual Rate Change Form, a copy of which is included with the Operations and Maintenance. He advised the Board that SE's rates increased 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, the Board concurred to consider an amendment to the District's Rate Order at next month's Board meeting.

Following discussion, Director Vowell moved to (i) authorize SE to submit the required information identifying the location and description of District facilities that have qualified for critical load status and information regarding emergency contacts to the appropriate entities on behalf of the District, and (ii) authorize the termination of accounts in accordance with the District's Rate Order. Director Mushen seconded said motion, which carried unanimously.

DISCUSSION REGARDING THE PROPOSED ADMINISTRATIVE BUILDING

The Board next considered the status of the proposed administrative building. Ms. Free reminded the Board that it had previously adopted a resolution regarding selection of the construction manager at risk procedures and the election to permit Subchapter F, Chapter 2269, Texas Government Code to supersede Section 49.273, Texas Water Code. She further reminded the Board that, based on the recommendation of Martinez Architects, it subsequently agreed to proceed with the competitive sealed proposal delivery method. In connection therewith, she advised the Board that it will need to adopt a resolution selecting the competitive sealed proposal delivery method and that said resolution will supersede the Board's previous resolution selecting the construction manager at risk delivery method. Following discussion, Director Alvarado moved to adopt a Resolution Regarding Selection of Contracting and Delivery Procedures for Construction Projects, attached hereto as **Exhibit I**, as discussed. Director Vowell seconded said motion, which carried unanimously.

SECURITY REPORT

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

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.

VOTING SYSTEM ANNUAL FILING FORM

The Board next considered approval of a Voting System Annual Filing Form. Ms. Free advised the Board that under the Texas Election Code, the District is required to complete and file on an annual basis a form provided by the Texas Secretary of State regarding information related to District elections. After discussion, Director Alvarado moved that SPH be authorized to complete the Voting System Annual Filing Form and to file same with the Texas Secretary of State. Director Vowell seconded the motion, which unanimously carried.

DISTRICT'S RECORDS MANAGEMENT OFFICER'S REQUEST TO DESTROY MEETING NOTES

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes from the Board meetings held from February 22, 2022, to February 28, 2023, a copy of which is attached hereto as **Exhibit K**. After discussion, Director Alvarado moved that the destruction of SPH's handwritten notes for the referenced Board meetings be authorized, as requested by the District's Records Management Officer, in accordance with the provisions of the District's Records Management Program. Director Vowell seconded the motion, which unanimously carried.

STATUS OF ARBITRAGE REBATE REPORT

Ms. Free advised the Board that Arbitrage Compliance Specialists, Inc. has not yet completed the arbitrage rebate report for the District's \$2,740,000 Unlimited Tax Bonds, Series 2018.

INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT

Ms. Free presented to and reviewed with the Board an Interlocal Agreement with the Harris-Galveston Subsidence District ("HGSD") for its 2023 to 2024 Water Wise Program, a copy of which is attached hereto as **Exhibit L**. She advised that HGSD is requesting that the District consider sponsoring one hundred (100) students for an estimated cost of \$3,800. Following discussion, Director Vowell moved that the Board approve the Interlocal Agreement and the President be authorized to execute said Agreement on behalf of the Board and the District. Director Mushen seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Ms. Free presented to and reviewed with the Board a Legislative Summary of the 88th Regular Session of the Texas Legislature, prepared by SPH (the "Summary"). She then briefly advised the Board of

certain significant legislation which may be of interest to or impact the water district industry. Ms. Free further advised the Board that certain related items will be included on next month's agenda.

FUTURE AGENDA ITEMS

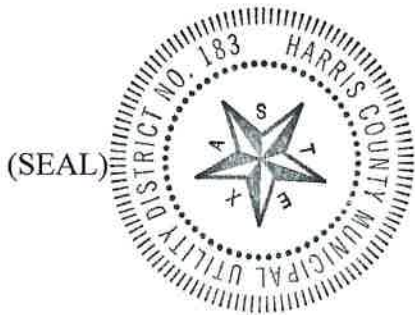
The Board did not request any items be place on future agendas other than those already discussed and regular, on-going items.

ADJOURNMENT

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



Secretary, Board of Directors



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

- Exhibit A Audit Engagement Letter
- Exhibit B Bookkeeper's Report
- Exhibit C Proposed Operating Budget for Fiscal Year Ending June 30, 2024
- Exhibit D Tax Assessor-Collector Report
- Exhibit E Engineer's Report
- Exhibit F Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds
- Exhibit G 30-Year Capital Improvement Plan Summary & 10-Year Anticipated Projects Funding Summary
- Exhibit H Operations and Maintenance Report
- Exhibit I Resolution Regarding Selection of Contracting and Delivery Procedures for Construction Projects
- Exhibit J Security Report
- Exhibit K Records Destruction Request Letter
- Exhibit L Interlocal Agreement with the Harris-Galveston Subsidence District

676475_1