

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Board of Directors Meeting

August 21, 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 August 21, 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 and Anna Katherine Parker of Quiddity Engineering LLC ("Quiddity"); Missy Steadman and Randy Davila of Inframark, LLC ("Inframark"); Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); Michelle Guerrero of Bob Leared Interests ("BLI"); Luis Cebrian of Champions Hydro-Lawn, Inc. ("Champions"); and Katie Blasio and Michelle Guild of Schwartz, Page & Harding, L.L.P. ("SPH"). Andy Parker of Parker & Sanchez, PLLC ("Parker Sanchez") and Matthew Reed of SPH entered later in the meeting 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 July 17, 2023, Board meeting. After review and discussion of the minutes presented, Director Kallus moved that the minutes of the meeting held on July 17, 2023, be approved as presented. Director Stephens seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Guerrero presented to and reviewed with the Board the Tax Assessor-Collector's Report, dated July 31, 2023, a copy of which is attached hereto as Exhibit A. After discussion, Director Petry moved that said report be approved and that the disbursements identified in the report be approved for payment from the tax account. Director Stephens seconded said motion, which unanimously carried.

TAX RATE RECOMMENDATION

The Board deferred consideration of its 2023 tax rate recommendation until its next meeting.

BOOKKEEPER'S REPORT

Ms. Michaux presented to and reviewed with the Board the Bookkeeping Report, dated August 21, 2023, including the checks presented for payment, a copy of which is attached hereto as Exhibit B. After discussion on the matter, it was moved by Director Cline that the Bookkeeping Report be approved, and that the disbursements identified therein be approved for payment. Director Kallus seconded said motion, which unanimously carried.

Mr. Parker entered the meeting at this time.

In connection with the Harris County Municipal Utility District No. 257 ("No. 257") billing issue, Ms. Michaux reported to the Board that MA&C was previously instructed to prepare corrected billings from December 2020 to March 2021. She stated that the November 2020 billing information was included in the reports that were prepared for the District's auditor when the billing issue was discovered. Ms. Michaux stated that No. 257 refused to pay the November 2020 Wastewater Treatment Plant and Water Plant invoices at that time, and that such invoices are still outstanding. Ms. Blasio stated that she will discuss such invoices with Mr. Parker to determine how to address the outstanding balance.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Blasio presented to and reviewed with the Board the Delinquent Tax Attorney's Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto as Exhibit C. Upon review, Director Stephens moved that Perdue be authorized to send out water termination letters to those certain accounts listed, as recommended. Director VanDyke seconded said motion, which unanimously carried.

OPERATOR'S REPORT

Mr. Davila presented to and reviewed with the Board the Operator's Report for the month of July 2023, a copy of which is attached hereto as Exhibit D. Ms. Steadman reported to the Board that there was a water main line break in the District which caused damage to a resident's driveway and that Inframark is coordinating the repair of same.

Mr. Davila notified the Board of a Notice of Violation from the Texas Commission on Environmental Quality, dated August 1, 2023, a copy of which is attached to the Operator's Report. He also advised that the District's Monthly Discharge Monitoring Report reflects two NH3 excursions and two E. Coli excursions.

A discussion ensued regarding a Notice from the West Harris County Regional Water Authority ("WHCRWA") concerning its implementation of Stage 1 of its Drought Contingency Plan (voluntary water reductions), a copy of said Notice is attached hereto as Exhibit E. Ms.

Steadman advised that Stage 1 of the District's Drought Contingency Plan has been triggered and signs have been placed in the District. The Board inquired as to the cost of purchasing new drought signs for the District. Ms. Steadman responded to questions. Upon further discussion, the Board requested that Inframark present a cost estimate for the purchase of new drought signs for the Board's consideration at its next meeting.

Mr. Reed entered the meeting at this time.

Mr. Davila then presented to and reviewed with the Board the list of delinquent accounts for the prior month. He requested authorization to move twelve (12) accounts to collections in the total amount of \$1,889.82. Upon discussion, Director Petry moved that Inframark be authorized to forward said accounts to collections, as requested. Director Kallus seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board a written Engineer's Report, dated August 18, 2023, a copy of which is attached hereto as Exhibit F, relative to the status of various projects within the District.

Mr. Bishop presented to and reviewed with the Board Pay Estimate No. 24 in the amount of \$222,215.97, and Change Order No. 4 in the amount of (\$81,353.95) as a credit to the District, as received from CSA Construction, Inc. ("CSA") for the Wastewater Treatment Plant Replacement Project (the "Project"), and recommended that the Board approve same. Upon discussion, Director Kallus moved that Pay Estimate No. 24 in the amount of \$222,215.97, and Change Order No. 4 in the amount of (\$81,353.95) as a credit to the District from CSA be approved, as recommended by Quiddity. Director Cline seconded said motion, which unanimously carried.

Mr. Bishop requested authorization for Quiddity to advertise and bid the 2023 Sanitary Sewer Rehabilitation Project. He advised that Quiddity's final estimate of construction cost is \$303,000. Upon discussion, Director Kallus moved that Quiddity be authorized to advertise and bid the 2023 Sanitary Sewer Rehabilitation Project. Director Cline seconded said motion, which unanimously carried.

A discussion ensued regarding the District's Water Plant Re-Build project. Mr. Bishop briefly reviewed the various options with the District, and stated that it is unclear if No. 257 will participate in such new Water Plant. Upon discussion, the Board deferred action until its next meeting.

Mr. Bishop stated that the Environmental Protection Agency and Texas Commission on Environmental Quality adopted revisions to the Lead and Copper Rule. He stated that the District is required to perform a lead service line inventory of the public and private water system and submit same by October 16, 2024. He stated that Quiddity will request authorization to proceed at next month's meeting.

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

Mr. Cebrian introduced himself to the Board and stated that he will attend future meetings of the Board. He then presented to and reviewed with the Board the Detention and Drainage Facilities Report prepared by Champions dated August 2023, a copy of which is attached hereto as Exhibit G. He noted that no action was required by the Board at this time.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Director VanDyke reported to the Board regarding the activities of the Authority.

ATTORNEY'S REPORT

The Board next considered the attorney's report. All in attendance, with the exception of the Board, Mr. Parker, Mr. Reed, Ms. Steadman, Ms. Michaux, Mr. Bishop, Ms. Parker, Ms. Blasio and Ms. Guild, exited the meeting. Mr. Parker reported to the Board that the District was served with a discovery request for certain documents pertaining the ongoing litigation among No. 257, Si Environmental, LLC, and the District. Mr. Parker responded to questions.

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 4:47 p.m.

In connection with matters discussed during Closed Session, Director Cline moved to authorize MA&C to invoice No. 257 for its over-usage of water, and re-invoice No. 257 for the November 2020 Wastewater Treatment Plant and Water Plant invoices using the correct usage amount. Director Kallus seconded said motion, which unanimously carried.

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

August 21, 2023

- Exhibit A Tax Assessor-Collector's Report
- Exhibit B Bookkeeper's Report
- Exhibit C Delinquent Tax Report
- Exhibit D Operator's Report
- Exhibit E Notice from West Harris County Regional Water Authority
- Exhibit F Engineer's Report
- Exhibit G Champions Hydro-Lawn, Inc. Report