

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

FILE COPY

Minutes of Board of Directors Meeting

September 18, 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 September 18, 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"); Erik Scott and Robert Garcia of Champions Hydro-Lawn, Inc. ("Champions"); Anthea Moran of Masterson Advisors LLC ("Masterson"); and Katie Blasio and Michelle Guild of Schwartz, Page & Harding, L.L.P. ("SPH"). Andy Parker of Parker & Sanchez, PLLC ("Parker Sanchez") 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.

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

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

APPROVAL OF MINUTES

The Board reviewed the minutes of its August 21, 2023, Board meeting. After review and discussion of the minutes presented, Director Kallus moved that the minutes of the meeting held on August 21, 2023, be approved as presented. Director Petry 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 August 31, 2023, a copy of which is attached hereto as Exhibit B. 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 Petry seconded said motion, which unanimously carried.

Mr. Scott and Mr. Garcia exited the meeting at this time.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Blasio presented to and reviewed with the Board the Delinquent Tax Attorney's Report ("Report") from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto as Exhibit C. After discussion, Director Cline moved that Perdue be authorized to send a list of the accounts of property owners who did not respond or make payment of their delinquent taxes, interest, and penalties as listed under item III in the Report to the District's Operator to be tagged for disconnection, as recommended by Perdue. Director Stephens seconded said motion, which unanimously carried.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2023 TAX RATE

As the next order of business, the Board considered the Financial Advisor's recommendation concerning the District's proposed 2023 tax rate. In connection therewith, Ms. Blasio discussed with the Board the requirements for notice of the District's intention to adopt a 2023 tax rate. Ms. Blasio advised that, pursuant to §49.236 of the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Ms. Blasio further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. She advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

Ms. Moran presented to and reviewed with the Board a 2023 Debt Service Tax Rate Recommendation and Cash Flow Analysis for the District, prepared by Masterson, a copy of which is attached hereto as Exhibit D. A discussion ensued regarding the average tax bill increase to District residents. After discussion, Director VanDyke moved that the District (i) levy a 2023 debt service tax rate of \$0.26, (ii) levy a 2023 maintenance tax rate of \$0.245, and (iii) that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2023 tax rate at its next meeting in the form and at the time required by law. Director Petry seconded said motion, which carried unanimously. The Board concurred that the notice should be published by the tax assessor-collector in a newspaper of general circulation in the section directed to the zip code in which the District is located.

BOOKKEEPER'S REPORT

Ms. Michaux presented to and reviewed with the Board the Bookkeeping Report, dated September 18, 2023, including the checks presented for payment, a copy of which is attached hereto as Exhibit E. A discussion ensued regarding check no. 4216 payable to Inframark for work done in connection with the Wastewater Treatment Plant ("WWTP") removal and how such disbursement should be reflected in the Bookkeeping Report. Ms. Michaux stated that MA&C will re-bill the invoice to be billed to the District's capital projects fund account and credit the District's sewer treatment plant account for same. Ms. Steadman stated that Inframark will provide MA&C with the necessary invoices for the WWTP removal. After discussion on the matter, it was moved by Director Stephens that the Bookkeeping Report be approved, and that the disbursements identified therein be approved for payment, with check no. 4216 being voided and re-billed as noted above. Director Kallus seconded said motion, which unanimously carried.

Mr. Parker entered the meeting at this time.

Ms. Michaux presented to and reviewed with the Board a Quarterly Investment Inventory Report ("Quarterly Report") for the period ending June 30, 2023, a copy of which is attached to the Bookkeeping Report. Upon discussion, Director Stephens moved that the Quarterly Report be approved, as presented. Director Kallus 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 August 2023, a copy of which is attached hereto as Exhibit F.

Mr. Davila presented to and reviewed with the Board a cost estimate for drought signs and sample language, a copy of which is attached to the Operator's Report. He stated that the total cost for twelve (12) signs is \$2,856.76. The Board requested sign language changes as follows: Stage 1 "Voluntary", Stage 2 "Mandatory" and Stage 3 language to remain as indicated. Director Kallus moved to approve the proposal for the drought signs in the amount of \$2,856.76. Director Petry seconded said motion, which unanimously carried.

Ms. Steadman reported to the Board regarding the recent water line break in the District. Ms. Steadman stated that text messages will be sent to affected residents if the repair crew is not visible to such residents.

Mr. Davila then presented to and reviewed with the Board the list of delinquent accounts for the prior month. He requested authorization to move six (6) accounts to collections in the total amount of \$1,437.64, and write-off three (3) accounts in the total amount of \$41.35. Upon discussion, Director Kallus moved that Inframark be authorized to forward said accounts to collections and those certain accounts be written off, as requested. Director Petry seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board a written Engineer's Report, dated September 15, 2023, a copy of which is attached hereto as Exhibit G, relative to the status of various projects within the District.

Mr. Bishop presented to and reviewed with the Board Pay Estimate No. 25 in the amount of \$79,666.85 from CSA Construction, Inc. ("CSA") for the Wastewater Treatment Plant Replacement Project (the "Project"), and recommended approval of same. Upon discussion, Director Cline moved that Pay Estimate No. 25 in the amount of \$79,666.85 from CSA be approved, as recommended by Quiddity. Director Petry seconded said motion, which unanimously carried.

Mr. Bishop noted that Association of Water Board Directors ("AWBD") is currently accepting award applications for certain district projects and he would like to proceed with submitting the Project for consideration of an award by AWBD. Ms. Blasio advised that an item will be added to the next agenda in connection with same.

Mr. Bishop presented to and reviewed with the Board a scope memo from Quiddity to perform the required lead service line inventory of the District's public and private water system in connection with the Environmental Protection Agency and Texas Commission on Environmental Quality adopted revisions to the Lead and Copper Rule. He requested authorization from the Board for Quiddity to perform the work in the amount of \$20,000 and 241 calendar days. Upon discussion, Director Cline moved that Quiddity be authorized to perform the lead service line inventory of the District's public and private water system in the amount of \$20,000. Director Petry seconded said motion, which unanimously carried.

A discussion ensued regarding the District's Water Plant Re-Build project. Mr. Bishop advised that he recommends that the District provide formal notice of the Water Plant Re-Build project to Harris County Municipal Utility District No. 257 ("No. 257") in accordance with the requirements of the Water Supply Agreement between the District and No. 257. After discussion, Director Kallus moved that Quiddity and SPH be authorized to prepare and send such notice to No. 257, subject to approval of the draft notice by Directors Petry and Cline. Director Stephens seconded said motion, which unanimously carried.

Ms. Moran exited the meeting during the above discussion.

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. Ms. Blasio noted she had nothing additional to report at this time.

EXECUTIVE SESSION

The President announced at 3:45 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 4:52 p.m.

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

September 18, 2023

- Exhibit A Champions Hydro-Lawn, Inc. Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Delinquent Tax Report
- Exhibit D 2023 Tax Rate Recommendation
- Exhibit E Bookkeeping Report
- Exhibit F Operator's Report
- Exhibit G Engineer's Report