



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155**

Minutes of Meeting of Board of Directors  
September 18, 2023

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 155 (“District”) met on Monday, September 18, 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. Loren Morales of RBC Capital Markets; 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 meeting held August 21, 2023, which the Board approved as presented.

Tax assessor-collector’s report, copy attached, including invoices and a list of delinquent accounts. Through August 30, the rate of collection of 2022 taxes is 99.193%.

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

After discussion, upon motion by Director Denmon, seconded by Director Wilhelm, 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 opened the meeting for public comment. No public comment was offered, so the President moved to the next agenda item.

3. The Board recognized Mr. Morales, the District's financial advisor, who presented a cash flow analysis and recommendation with respect to the District's 2023 tax rate. The Board reviewed the analysis and recommendation, as well as the 2023 voter approval tax rate worksheet. The Board and Mr. Morales noted that the final debt service payment on the District's outstanding bonds is due May 1, 2024 and so the financial advisor recommended that the District not levy a debt service tax rate in 2023. To make its final debt service payment, the District will use funds currently on hand in the debt service fund account and may pay any remaining debt service due using general operating funds. The Board then considered revenues to be generated based upon adoption of various maintenance tax rates ranging between \$0.66 and \$0.69 per \$100 assessed valuation. The Board was interested in the tax rates of districts in the vicinity of the District and requested information on the subject. Further discussion thereafter ensued, with the Board considering the attached Resolution Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, Calling Public Hearing on 2023 Tax Rate, and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing. Upon unanimous vote, the Board found that the District is a developed district and adopted the attached Resolution so stating. The Board also authorized publication of a notice of public hearing at which the Board will consider adoption of a total 2023 tax rate of up to \$0.69 per \$100 assessed valuation, consisting fully of a maintenance tax and no debt service tax. The attorney noted that after considering a proposed tax rate, the District must update the internet posting required by Tax Code §26.18 and Government Code §2051.202. Upon unanimous vote, the Board authorized posting the required materials in compliance with these laws.

4. The Board discussed additional matters related to the District's annual budgets for the regional sewage treatment plant and the joint water plant, with particular focus on the operating reserve balances of all joint water plant and regional sewage treatment plant participants. The Board requested that the bookkeeper prepare an analysis for Board review next month of the reserve amounts based on the 2024 budgets so that the Board could consider any necessary adjustments. The Board also discussed the proposed project for painting the water plant ground storage tank and directed that Harris County MUD No. 156 be notified of its portion of the projected cost of this project and that it will be invoiced in advance so that funds are available as contractor pay estimates are received.

5. Ms. Parks reported that in connection with amendments to the Texas Water Code enacted during the regular 2023 legislative session, the form of the Notice to Purchasers document required to be given to all purchasers of real property located in a water district had been modified and must be updated with information specific to the District and posted on the internet along with other documents the District is required to post under the Texas Water and Government codes. Ms. Parks noted the District's notice has already been modified and sent to the tax assessor collector for posting. She now requested Board execution of an Amendment to Statement of Directors containing the updated form for recording in the Harris County Real Property Records, and the Board executed same.

6. John Taylor presented an operations report, copy attached. The report reflected 826 connections, including two vacancies. Total water accountability during the month was 104%, and when limited to within the District, it was 85%. Regarding water accountability, the operators found a leaking water main on Copperstone, and another on Millshire Way leaking

into a storm sewer. Repair of these leaks should improve internal water accountability. The sewage treatment plant operated at 43% of permitted capacity.

Mr. Taylor presented three accounts in the total amount of \$213.51 which he recommended the Board deem uncollectable and authorize for referral to a collection agency. The Board authorized the recommended action. Mr. Taylor then submitted a list of 37 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 that the West Harris County Regional Water Authority had implemented Stage 2 mandatory drought measures under its drought contingency plan on September 6. Mr. Taylor recommended the District implement Stage 2 mandatory drought measures under its own Drought Contingency Plan, and the Board agreed. The operators will provide notice to District residents as set out in the District's DCP. Mr. Taylor did note that the District's well is not having trouble with water production and is able to provide water beyond water purchased from the Authority. The Board discussed surcharges applicable under Stage 3 of the District's DCP. Such surcharges are not applicable at this time because the District is not implementing Stage 3 of its plan, nor has the District's plan been triggered based on excess demands on the District's own water supply capacity. After further discussion of operating matters, upon motion by Director Wilhelm, seconded by Director Scott, the Board voted unanimously to approve the operator's report as presented.

7. John Gerdes presented an engineer's report, copy attached. He stated the engineers are adjusting plans for the Phase 3 backslope interceptor and fence replacement project after a field visit. Work continues to proceed toward renewal of the District's waste discharge permit, with the required advertisements placed and the public display of the draft permit, as both are required under Texas Commission on Environmental Quality rules.

Mr. Gerdes discussed the main electrical breaker at the sewage treatment plant. At the previous meeting, the Board had authorized Wildcat to order a breaker. However, after discussion of vendor Wildcat's requirement to be paid in full prior to ordering the breaker, the Board agreed that the breaker should be purchased from a different vendor. To that end, the Board unanimously directed the bookkeeper to void check No. 1271 payable to Wildcat Electric Supply in the amount of \$17,450 and instead authorized Mr. Gerdes to work with John Taylor and approach vendor STP Services about purchase of a main breaker.

The Board discussed continued issues with electrical spikes at the water plant. Mr. Gerdes stated that as discussed last month, electrical engineer Greg Baird is still in the process of reviewing the results of Acclaim's electricity demand response study.

Mr. Gerdes discussed the project for cleaning, painting, and minor repair of ground storage tank No. 1 at the water plant. The project is being advertised as previously

authorized, with bid opening scheduled for September 28 and work to begin in October or November, 2023. As mentioned earlier in the meeting, MUD No. 156 should be notified of the project and its pro rata share, which is included in the 2024 joint water plant budget. The Board discussed the material to be used to coat the tank and requested that an alternative coating be added via a bid addendum. After further discussion of engineering matters, upon motion by Director Scott, seconded by Director Wilhelm, the Board approved the monthly report as presented.


8. Regarding matters related to the WHCRWA, there were no issues to discuss beyond mentioning the Authority's implementation of Stage 2 drought measures.

9. Michael Smith presented and reviewed a monthly landscape maintenance report, copy attached. Regular maintenance is on schedule, and Mr. Smith noted that the trees by the bench have been watered by hand and are in good condition. Mr. Smith confirmed that the irrigation project was completed but sod still needed to be added around the inflows and outflows. There was discussion regarding installation of a temporary/moveable barricade on a dead-end street where a barrier had been removed by Harris County. Mr. Smith and Mr. Gerdes will communicate further on this subject. After further discussion, the Board unanimously approved Mr. Smith's report.

10. The Board considered an annual review of District water interconnect agreements. Ms. Parks distributed a report summarizing the terms of the various contracts. The contract soonest to expire (in 2025) is the Emergency Water Supply Agreement with Harris County MUD No. 163. The terms of the other agreements extend to 2032 and beyond. No action was needed at this time.

11. The Board discussed pending business. There were no comments from participants in the regional waste treatment facilities. Ms. Parks confirmed the October 9 date of the next quarterly participant meeting and noted that her office will send a notice to all participants and confirm attendance.

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

  
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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, September 18, 2023.**

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

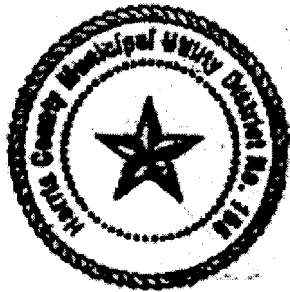
**CONSENT AGENDA:** The following items are considered routine by the Board and will be enacted by one motion if appropriate. No separate discussion will occur on these items unless a Board member or member of the public so requests, in which event, the item will be considered on the Regular Agenda.


1. Approve minutes of meeting held August 21, 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. Review 2023 tax rate recommendation; 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. Update Compliance Document/Website for proposed 2023 tax rate and Notice of Public Hearing
4. Amendment to Statement of Directors for new Notice to Purchaser form
5. 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; implementation of drought measures
6. Engineer's report, including:
  - a. status of installation of permanent irrigation system for backslope interceptor project;
  - b. status of project for 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
7. Matters related to West Harris County Regional Water Authority

8. Report from Michael's Maintenance
9. Annual review of interconnect agreements
10. Pending business, including:
  - a. comments from/discussion with other participants in regional facilities and confirm quarterly participant meeting on October 9; and
  - b. items for placement on next meeting agenda
11. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071
12. Reconvene in Open Session and act on matters discussed in Executive Session, as necessary



  
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Melissa J. Parks  
Attorney for the District