

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 183
Minutes of Meeting of Board of Directors
January 23, 2024

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 January 23, 2024, 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 and Cameron Silvernail of Quiddity Engineering, LLC ("Quiddity"); Derek Davenport of McLennan & Associates ("McLennan"); Michelle Guerrero of Bob Leared Interests, Inc. ("Leared"); Corey Andujar of Si Environmental, LLC ("SE"); and Gina Free and Sabrina Johnston of Schwartz, Page & Harding, L.L.P. ("SPH").

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

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. The Board deferred consideration of comments from the public, as none were presented.

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the regular Board meeting held on December 19, 2023, and the special Board meeting held on January 5, 2024. Ms. Free advised that Quiddity provided minor corrections to the December 19, 2023 minutes and reviewed same with the Board. Following discussion, Director Mushen moved that the minutes of the December 19, 2023 meeting be approved, as revised. Director Vowell seconded said motion, which unanimously carried. The Board concurred to defer approval of the January 5, 2024 minutes at this time.

Director Pollard entered the meeting at this time.

BOOKKEEPER'S REPORT AND INVESTMENT REPORT

Mr. Davenport then presented to and reviewed with the Board the Bookkeeper's Report, dated January 23, 2024, a copy of which is attached hereto as **Exhibit A**, including the

disbursements presented for payment from the District's various accounts, and the District's Investment Report for the period ended December 31, 2023, a copy of which is included with the Bookkeeper's Report. He then reminded the Board of the amended budget received from Jackrabbit Road Public Utility District ("Jackrabbit PUD"), a copy of which was provided to the Board at last month's Board meeting. In connection therewith, the Board considered 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 in connection therewith. Following discussion, Director Vowell moved that (i) the Bookkeeper's Report be approved, (ii) the disbursements identified therein be approved for payment, (iii) the Investment Report for the reporting period ended December 31, 2023, be approved, and the District's Investment Officer be authorized to execute same on behalf of the Board and the District, and (iv) the amended operating budget for the District's fiscal year ending June 30, 2024, be adopted. Director Pollard seconded said motion, which unanimously carried.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH DISTRICT

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Free advised that pursuant to the terms of the District's Investment Policy and provisions of the Public Funds Investment Act, the Board is required to review and revise, if necessary, such list at least annually. She then presented to and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. Ms. Free further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officers, but that it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Vowell moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and (ii) the President and Secretary be authorized to execute same. Director Pollard seconded said motion, which unanimously carried.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Ms. Free informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Ms. Free recommended that, FORVIS, LLP ("FORVIS"), the District's auditor, be authorized to prepare and submit the information. After discussion on the matter, it was moved by Director Vowell, seconded by Director Pollard and unanimously carried, that FORVIS be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Guerrero then reviewed the Tax Assessor-Collector's Report for the month of December 2023, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for payment. After discussion, Director Mushen 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.

EXEMPTIONS FROM TAXATION FOR 2024

Ms. Free outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code, as amended. She advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2024, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After discussion of the matter, Director Vowell moved that the District (i) not grant a residential homestead exemption, and (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$15,000 from ad valorem taxes levied by the District during the calendar year 2024, and that the Resolution attached hereto as **Exhibit D** relative to same be approved and adopted by the Board and the District. Director Alvarado seconded said motion, which carried unanimously.

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. ("Perdue"), a copy of which is attached hereto as **Exhibit E**. Ms. Free presented and reviewed said Delinquent Report with the Board. After discussion, the Board concurred that no action was required.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Ms. Free advised that the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the amount of personal property taxes, penalty and interest due the District on same in connection with taxes that become delinquent as of February 1, 2024 and remain delinquent sixty (60) days after the date on which they become delinquent. After discussion on the matter, Director Vowell moved that the Resolution Adopting an Additional Penalty on Delinquent Personal Property Taxes of twenty percent (20%), attached hereto as **Exhibit F**, be passed and approved by the Board and the District, and that the District's Delinquent Tax Attorney be authorized to collect such delinquent personal

property taxes, effective April 1, 2024. Director Mushen seconded said motion which carried unanimously.

OPERATIONS AND MAINTENANCE REPORT

Mr. Andujar presented to and reviewed with the Board the Operations and Maintenance Report for the month of December 2023, a copy of which is attached hereto as **Exhibit G**. In connection therewith, he advised the Board that the District's water accountability for the period of November 14, 2023 through December 12, 2023 was 68.88%. Mr. Andujar further advised the Board of the status of SE's investigation into the cause of the District's recent water accountability issues. He then advised the Board that the West Harris County Regional Water Authority ("WHCRWA") is assisting with said investigation. A lengthy discussion ensued regarding said water accountability issues, possible issues with the overflow sensors, and automatic notifications of equipment malfunctions. Mr. Andujar then responded to additional questions regarding water loss.

Director Mushen then inquired about the District's current asset management plan. Mr. Andujar, Mr. Walker, and Ms. Free responded to questions and concerns of the Board in connection therewith.

Following discussion, Director Vowell moved to (i) authorize the termination of delinquent accounts in accordance with the District's Rate Order, and (ii) authorize Director Mushen to research various asset management options available to the District. Director Langley seconded said motion, which carried unanimously.

CONSUMER CONFIDENCE REPORTS

The Board next considered authorizing SE to provide certain required information to districts that received water from the District through an emergency interconnect in 2023 relative to the annual Consumer Confidence Reports. Ms. Free explained that, pursuant to requirements promulgated by the United States Environmental Protection Agency, the District is required to provide by April 1, 2024, a report containing various information regarding the District's water supply to any other water supplier which received water from the District through an interconnect during the prior calendar year. After discussion on the matter, it was moved by Director Vowell, seconded by Director Langley and unanimously carried, that SE be authorized to provide the required information, as discussed.

ENGINEER'S REPORT

Mr. Walker next presented to and reviewed with the Board the Engineer's Report dated January 18, 2024, 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. In connection therewith, he presented to and reviewed with the Board a Policy Concerning Existing Facility Removal and Replacement (the "Policy") for Phase III of the Sanitary Sewer Cleaning and Televising project, a copy of which is included with the Engineering Report. Following discussion, Director Vowell moved that the Engineering Report and all action items listed therein be approved, as

recommended by Quiddity, including: (i) approval of a refund in the amount of \$16,052.05, to the developer for the 2022 Sanitary Sewer Line Extension to serve the Plaza at Barker, as reflected in the Bookkeeper's Report; (ii) authorization for Quiddity to proceed with advertisement for bids for Phase III of the Sanitary Sewer Cleaning and Televising project, and approval of the Policy in connection with same, and (iii) authorization for Quiddity to submit the Lead Service Line Inventory to the Texas Commission on Environmental Quality, as required. Director Alvarado seconded said motion, which carried unanimously.

UTILITY COMMITMENT LETTERS

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

DISCUSSION REGARDING THE PROPOSED ADMINISTRATIVE BUILDING

The Board next considered certain opportunities for cost savings in connection with the construction of the proposed administrative building. Following discussion, the Board concurred to defer any specific action in connection with the proposed administrative building at this time.

EXECUTIVE SESSION

The Board next convened in Executive Session at 2:16 p.m., as authorized by Section 551.071, Texas Government Code. All those present at the meeting exited the meeting except for the Board, Mr. Walker, Mr. Silvernail, Ms. Fee and Ms. Johnston.

The Board reconvened in Open Session at 2:31 p.m. Director Vowell then made a motion to authorize McEown Law, PLLC, the District's construction counsel, to contact Aranda Industries, LLC regarding a proposed revised scope of work in connection with the Sanitary Sewer Extension for the Shops at Barker. Director Mushen seconded said motion, which unanimously carried.

Director Alvarado exited the meeting at this time.

SECURITY REPORT

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

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board next discussed the renewal of the District's insurance coverages and bonds and considered authorizing the solicitation of proposals for same. Ms. Free stated that the District's current insurance coverage with Arthur J. Gallagher & Co. ("Gallagher") will expire on March 31, 2024. After discussion concerning the various options available to the District, the Board concurred that SPH be authorized to solicit a renewal proposal for the District's insurance coverages from Gallagher.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Ms. Free reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Ms. Free presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit J**. Ms. Free advised that Harris County will not offer joint election services to political subdivisions for the May 4, 2024 election, and therefore, the District will have to hold an independent election. She further discussed the challenges of administrating an independent election.

ACCESSIBLE VOTING SYSTEM

Ms. Free noted that Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Ms. Free reported that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Vowell, seconded by Director Pollard and unanimously carried that SPH be authorized to provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Ms. Free presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit K** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Pollard and Mushen expire in May of this year. In reviewing the Order with the Board, Ms. Free advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Sabrina Johnston as such agent (the "Election Agent"). Ms. Free further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Ms. Free advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each election precinct that overlaps the District. After discussion on the matter, Director Vowell moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Pollard seconded said motion, which unanimously carried. Ms. Free advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

The Board considered the establishment of fees to be paid to officials for the Election. Ms. Free advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Vowell moved that the judges and clerks for the Election, including early voting clerks, be paid \$12.50 per hour. Director Pollard 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 Pollard, and unanimously carried, the meeting was adjourned.



Secretary, Board of Directors

(SEAL)



Harris County Municipal Utility District No. 183
EXHIBITS

Exhibit A	Bookkeeper's Report
Exhibit B	Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
Exhibit C	Tax Assessor-Collector Report
Exhibit D	Resolution Concerning Exemptions from Taxation
Exhibit E	Delinquent Tax Collections Attorney's Report
Exhibit F	Resolution Adopting an Additional Penalty on Delinquent Personal Property Taxes
Exhibit G	Operations and Maintenance Report
Exhibit H	Engineer's Report
Exhibit I	Security Report
Exhibit J	Memorandum regarding Joint Elections with Harris County
Exhibit K	Order Calling Directors Election

709870_1