

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Special Board of Directors Meeting

January 30, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 149 (the "District") met in special session, open to the public on January 30, 2024, 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 whom were present, thus constituting a quorum.

Also present were: Jeffrey Bishop and Anna Katherine Parker of Quiddity Engineering LLC ("Quiddity"); Randy Davila of Inframark, LLC ("Inframark"); Jessica Preston of Municipal Accounts & Consulting, L.P. ("MA&C"); Michelle Guerrero of Bob Leared Interests ("BLI"); Luis Cebrian of Champions Hydro-Lawn, Inc. ("Champions"); Deputy Mosely of On-Site Protection ("OSP"); Grant Marco, District resident; and Katie Blasio, Matthew Reed, Michelle Guild and Donje Chatmon 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. Mr. Marco addressed the Board regarding his concerns with Texas Pride, the District's solid waste and recycling collector. He discussed his concerns with Texas Pride's service to his home and his communications with Texas Pride regarding same. Mr. Marco also requested that the District provide a breakdown of costs for solid waste collection. Mr. Reed responded to various questions from Mr. Marco and advised that the Board will take his concerns into consideration. Upon discussion, the Board concurred that no action was required.

Mr. Marco exited the meeting at this time.

APPROVAL OF MINUTES

The Board considered approval of the minutes of its November 20, 2023, and December 18, 2023, Board meetings. After review and discussion of the minutes presented, Director Kallus moved that the minutes of the meetings held on November 20, 2023, and December 18, 2023 be approved as presented. Director Stephens seconded said motion, which unanimously carried.

Mr. Reed exited the meeting at this time

CHAMPIONS REPORT

Mr. Cebrian presented to and reviewed with the Board the Detention and Drainage Facilities Report prepared by Champions dated January 2024, a copy of which is attached hereto as Exhibit A. He noted that no action was required by the Board at this time.

Mr. Cebrian exited the meeting at this time.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Guerrero presented to and reviewed with the Board the Tax Assessor-Collector's Report, dated December 31, 2023, a copy of which is attached hereto as Exhibit B. 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 Cline seconded said motion, which unanimously carried.

CONSIDER GRANTING EXEMPTIONS FROM TAXATION FOR 2024, AND THE ADOPTION OF A RESOLUTION IN CONNECTION THEREWITH

Ms. Blasio 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 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 appraised value of residential homestead improvements for tax 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 tax year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the appraised value of such homesteads. After further discussion of the matter, Director Kallus moved that the District (a) grant the general residential homestead exemption of 20%, but not less than \$5,000, and (b) grant an exemption for persons under a disability or sixty-five years of age or

older in the amount of \$10,000 from ad valorem taxes levied by the District during the tax year 2024, and that the Resolution attached hereto as Exhibit C relative to same be approved and adopted by the Board and District. Director Stephens seconded said motion, which carried unanimously.

DELINQUENT TAX ATTORNEY'S REPORT

The Board deferred consideration of the Delinquent Tax Attorney's Report ("Report") from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), after noting that a quarterly report was received last month.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Ms. Blasio next advised the Board that it is authorized pursuant to Section 33.11 of the Property Tax Code to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes, in accordance with Section 33.11 of the Property Tax Code, as amended. The Board next considered the adoption of a resolution authorizing such additional penalty. After discussion, it was moved by Director Kallus, seconded by Director Stephens, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as Exhibit D, be adopted, and that Perdue be authorized to proceed with the collection of the District's delinquent personal property accounts following proper notice as provided in said Resolution, including the filing of lawsuits, as necessary.

BOOKKEEPER'S REPORT

Ms. Preston presented to and reviewed with the Board the Bookkeeping Report, dated January 30, 2024, including the checks presented for payment, a copy of which is attached hereto as Exhibit E, including additional check no. 14889 in the amount of \$204.10 payable to Director Margaret Petry for attendance at the Association of Water Board Directors webinar. After discussion on the matter, it was moved by Director Kallus that the Bookkeeping Report be approved, and that the disbursements identified therein be approved for payment, including additional check no. 14889. Director Cline seconded said motion, which unanimously carried.

Ms. Preston presented to and reviewed with the Board a Quarterly Investment Inventory Report for the period ending September 30, 2023. Upon review, Director Kallus moved that the Quarterly Investment Inventor Report be approved as presented. Director Cline seconded said

motion, which unanimously carried.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Blasio advised that pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually. She presented and reviewed with the Board the attached 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 F. Ms. Blasio 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 Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Petry 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 Cline 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 December 2023, a copy of which is attached hereto as Exhibit G.

Mr. Davila reported to the Board that the Water Well No. 1 at the Water Plant motor blew out due to a transformer surge. He then presented to and reviewed with the Board a proposal from Burke's Mechanical Services, Inc. ("Burke's") in the amount of \$35,135.36 for the replacement of the water well motor, a copy of which is attached hereto as Exhibit H. Mr. Bishop recommended that the Board authorize the replacement of a new water well motor due to the age of the current motor. Upon discussion, Director Petry moved that the proposal from Burke's in the amount of \$35,135.36 be approved for the replacement of the Water Well No. 1 motor. Director Kallus seconded said motion, which unanimously carried.

Mr. Davila next reported that the Water Well No. 2 motor also blew out. He stated that he will present a proposal to the Board at its next meeting for the repair or replacement of the Water Well No. 2 motor. Mr. Davila advised the Board that Inframark will file an insurance claim for both the Water Well No. 1 and Water Well No. 2 motors.

Mr. Davila then presented to and reviewed with the Board the list of delinquent accounts for the prior month. He requested authorization to move three (3) accounts to collections in the

total amount of \$429.01. 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.

Mr. Davila presented a proposal from Inframark to install a Fleetzoom water plant monitoring system at Water Plant No. 1 in the amount of an initial \$8,500 setup charge, and then \$720 maintenance charge each year thereafter a copy of which is attached hereto as Exhibit H. He stated that the water plant currently uses an autodialer system. Mr. Davila responded to questions from the Board. Upon discussion, Director Petry moved that Inframark be authorized to install a Fleetzoom water plant monitoring system at Water Plant No. 1 in the initial set up fee in the amount of \$8,500, and \$720 per year thereafter. Director Kallus seconded said motion, which unanimously carried.

Mr. Davila reported to the Board that there are transducer issues at the new Wastewater Treatment Plant ("WWTP"). He stated that power is surging at the WWTP which causes sewage steam to gather and is sending false alarms. Mr. Davila stated that Inframark and Quiddity will work together to provide a solution to keep the air flow moving and ensure proper ventilation. Mr. Davila also advised that the WWTP's monthly Discharge Monitoring Report reflects four excursions and responded to questions from the Board regarding same.

CONSUMER CONFIDENCE REPORT

Ms. Blasio next advised that, pursuant to Consumer Confidence Report 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 has received water from the District through an interconnect during 2023. After discussion on the matter, it was moved by Director Petry, seconded by Director Cline, and unanimously carried that Inframark be authorized to provide such information to any other water supplier, as necessary.

RATE ORDER

The Board considered approval of an amendment to the District's Rate Order in connection with the Variable Energy Charge ("VEC") for increased costs for diesel fuel that was previously approved by the Board. Ms. Blasio reminded the Board that the VEC is capped at 5%. Upon discussion, Director Petry moved that the District's Rate Order be amended to increase the monthly rates for residential sanitary sewer services and solid waste and recycling collection and disposal by 5% to a monthly flat rate of \$29.17 to account for the VEC from Texas Pride, and that any and

all prior Rate Orders be revoked effective January 30, 2024. Director Cline seconded said motion, which unanimously carried. A copy of the Rate Order is attached hereto with Exhibit I.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board a written Engineer's Report, dated January 11, 2024, a copy of which is attached hereto as Exhibit J, relative to the status of various projects within the District.

Mr. Bishop reported that the Utility Commitment for Tracy Pham relative to the Arabella Plaza at 16302 FM 529 tract was not executed and would have expired per its terms at this point. He stated that Mr. Pham provided Quiddity with revised plans and is requesting an updated Utility Commitment for the tract. Mr. Bishop further stated that the District will require a water line easement ("WLE") from Mr. Pham for construction of the water line to serve his tract. Upon discussion, Director Kallus moved that SPH be authorized to prepare an updated Utility Commitment and WLE for Tracy Pham and to authorize the issuance of such Utility Commitment, subject to receipt of the executed TEC Form 1295. Director Petry seconded said motion, which unanimously carried.

A discussion ensued regarding the scheduling of the final walk-through of the WWTP. Mr. Bishop stated that Quiddity will email the Board to schedule a late February or March tour date.

RESIDENTIAL SOLID WASTE AND RECYCLING SERVICES PROVIDED BY TEXAS PRIDE

The Board considered the solid waste and recycling services being performed by Texas Pride. Ms. Blasio reviewed the history of Mr. Grant's complaints against Texas Pride and the Texas Pride's responses to same. A lengthy discussion ensued regarding remedies to address Mr. Grant's complaints. Upon discussion, the Board concurred to authorize Texas Pride to coordinate with Inframark regarding sending out a newsletter to the District's customers containing an overview of the trash and recycling services provided by Texas Pride, including information regarding collection days, the proper receptacles for trash and recycling collection, and pickup information for heavy trash collection, as well as a text alert containing the newsletter information. Director Cline requested a copy of the newsletter be provided to the Sommerall Homeowners Association ("HOA") to be included in the HOA newsletter. Ms. Blasio stated that she will respond to Mr. Marco on behalf of the Board to advise of the District's regular meeting date and the preparation of the Texas Pride newsletter.

Mr. Parker entered the meeting at this time.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

The Board deferred consideration of a report from the Authority.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Ms. Blasio informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, 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. Blasio recommended that McCall Gibson Swedlund and Barfoot, PLLC ("McCall"), the District's auditor, be authorized to prepare and submit the information. After discussion on the matter, it was moved by Director Cline, seconded by Director Kallus, and unanimously carried that McCall be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Information Database.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board next considered authorizing the solicitation of proposals for the renewal of the District's insurance policies. Ms. Blasio reported that the District's current insurance policies expire on March 31, 2024, and that the District's current policies were placed through McDonald & Wessendorff Insurance ("McDonald"). After discussion on the matter, the Board concurred to authorize SPH to solicit an insurance renewal proposal from McDonald for the Board's consideration at its next meeting.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Ms. Blasio reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Ms. Blasio presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as Exhibit K. Ms. Blasio 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. Blasio 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. Blasio reported that the District is exempt from said requirement the District's previous directors election was canceled. Following discussion, it was moved by

Director Petry, seconded by Director Cline 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. Blasio presented the Order Calling Directors Election (the "Order") attached hereto as Exhibit L calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors VanDyke and Cline expire in May of this year. In reviewing the Order with the Board, Ms. Blasio 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 Donje Chatmon as such agent (the "Election Agent"). Ms. Blasio further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Ms. Blasio 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 Petry 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 Cline seconded said motion, which unanimously carried. Ms. Blasio 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 deferred the establishment of fees to be paid to officials for the Election at this time.

ATTORNEY'S REPORT

The Board next considered the attorney's report. She presented correspondence received from the Authority regarding notice of the 2024 appointment process for Authority directors, a copy of which is attached hereto as Exhibit M. In connection therewith, Director Cline moved to authorize Inframark to complete and submit the Authority's 2023 Water Usage Form on behalf of the District. Director Petry seconded said motion, which unanimously carried.

EXECUTIVE SESSION

The President announced at 4:55 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.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. Except as may be reflected above, there were no additional agenda items requested other than routine, ongoing matters.

The Board reconvened in Open Session at 5:55 p.m.

ADJOURNMENT

There being no further business to come before the Board, Director Cline moved that the meeting be adjourned. Director Petry seconded said motion, which unanimously carried.




Secretary, Board of Directors

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
EXHIBITS

January 30, 2024

- Exhibit A Champions Hydro-Lawn, Inc. Report
- Exhibit B Tax Assessor-Collector's Report
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Resolution Authorizing An Additional Penalty on Delinquent Personal Property Taxes
- Exhibit E Bookkeeping Report
- Exhibit F Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
- Exhibit G Operator's Report
- Exhibit H Proposal from Burke's Mechanical Services, Inc. and Proposal from Inframark
- Exhibit I Amended Rate Order
- Exhibit J Engineer's Report
- Exhibit K Memorandum regarding Independent Elections
- Exhibit L Order Calling Directors Election
- Exhibit M Correspondence from West Harris County Regional Water Authority