

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 183
Minutes of Meeting of Board of Directors
February 27, 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 February 27, 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.

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 and Keith Swallers of Si Environmental, LLC ("SE"); Debbie Shelton of Masterson Advisors, LLC ("Masterson"); Helen Hyde of Exploring Minds Learning Center ("Exploring Minds"); Rick Gomez and Dustin Nelson, residents of the District; and Gina Free and Sabrina Johnston of Schwartz, Page & Harding, L.L.P. ("SPH"). Ms. Shelton and Mr. Nelson entered the meeting following the call to order as noted herein.

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. Ms. Hyde addressed the Board regarding the utility commitment request submitted to the District by Exploring Minds for the proposed child care facility to be located at 5630 Barker Cypress Road (the "Tract"), and the deposit requested by the District for the design and construction of a public sanitary sewer line extension necessary to serve the Tract. In connection therewith, she requested that the Board consider allowing payment of said \$126,500 deposit in installments of \$81,500 prior to design, and \$45,000 prior to construction. Following discussion, Director Alvarado moved to approve said request and authorize SPH to prepare a revised Utility Commitment for Exploring Minds. Director Langley seconded said motion, which carried unanimously.

Ms. Hyde exited the meeting at this time.

Mr. Gomez next addressed the Board. He expressed appreciation for attendance at the Windsong Homeowner's Association meeting by Director Alvarado, Director Langley, Mr. Walker and representatives of the West Harris County Regional Water Authority. He then requested an update from the Board in connection with the damage to a CenterPoint electrical

conduit and cable caused by Aranda Industries ("Aranda") during Aranda's construction of a sanitary sewer line extension. Mr. Walker and Ms. Free responded to Mr. Gomez's request for information. It was noted that no specific action was required of the Board in connection with said matter at this time.

Mr. Nelson entered the meeting during the above discussion.

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the special Board meeting held on January 5, 2024, and the regular Board meeting held on January 23, 2024. Following discussion, Director Vowell moved that the minutes of the January 5, 2024, and January 23, 2024 meetings be approved, as written. Director Mushen seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT AND INVESTMENT REPORT

Mr. Davenport then presented to and reviewed with the Board the Bookkeeper's Report, dated February 27, 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 January 31, 2024, a copy of which is included with the Bookkeeper's Report. Following discussion, Director Alvarado moved that (i) the Bookkeeper's Report be approved, (ii) the disbursements identified therein be approved for payment, including check nos. 11255 through 11260, which were not included in the Report, and (iii) the Investment Report for the reporting period ended January 31, 2024, be approved, and the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Mushen seconded said motion, which unanimously carried.

PRESENTATION FROM MUNICIPAL FINANCIAL SERVICES ("MFS") REGARDING EVO REPORT PROGRAM

Ms. Free advised the Board that a representative of MFS was not able to attend the meeting and presented to and reviewed with the Board the EVO Metrics Report and the EVO Financial Transparency Report for the District, copies of which are attached hereto as **Exhibit B**. A discussion ensued regarding said Reports and the District's financial condition.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Guerrero then reviewed the Tax Assessor-Collector's Report for the month of January 2024, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for payment. After discussion, Director Vowell moved that the Tax Assessor-Collector's Report be approved and the disbursements identified in the Report be approved for payment. Director Mushen seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

Ms. Free next advised the Board that the procedures involved in setting a tax rate each year applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. She then reviewed with the Board a worksheet completed by Quiddity to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for 2024 Tax Year, a copy of which is attached hereto as **Exhibit D**. Ms. Free advised the Board that pursuant to said worksheet the District is a "Developing District." Following discussion, upon motion made by Director Vowell, seconded by Director Langley and unanimously carried, the Board determined that the District shall be considered a Developing District for the 2024 Tax Year and adopted the attached Resolution.

DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT

The Board deferred consideration of a Delinquent Tax Collections Attorney's Report after noting that no report was received from Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

OPERATIONS AND MAINTENANCE REPORT

Mr. Swallers addressed the Board regarding the status of SE's investigation into the cause of the District's recent water accountability issues. In connection therewith, he advised the Board that the District's water accountability for the period of December 13, 2023 through January 12, 2024 was 53.72%. He then advised the Board of a main line break in the District that was discovered and repaired. He advised that SE believes this line break was the main cause of the District's accountability issues. Mr. Swallers then responded to the Board's questions and concerns.

Mr. Andujar presented to and reviewed with the Board the Operations and Maintenance Report for the month of January 2024, a copy of which is attached hereto as **Exhibit E**. A discussion then ensued regarding options available to the District for the installation of "smart meters." Following discussion, the Board requested that SE prepare information for the Board's review at its next meeting regarding various "smart meter" programs.

Following discussion, Director Langley moved to (i) authorize the termination of delinquent accounts in accordance with the District's Rate Order, and (ii) authorize SE to prepare information regarding smart meter programs for the Board's review at its next meeting. Director Vowell seconded said motion, which carried unanimously.

Director Mushen then addressed the Board regarding research he conducted in connection with a proposed asset management plan. He advised that following review, he did not believe that the District would benefit from the implementation of an asset management plan.

REVIEW OF WATER CONSERVATION PLAN AND DROUGHT CONTINGENCY PLAN

Ms. Free discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Water Conservation Plan ("WCP") and Drought Contingency Plan ("DCP") not later than May 1, 2024, and every five years thereafter. She then requested that the Board consider authorizing SE and Quiddity to review the District's WCP and DCP for any required updates. Following discussion, Director Langley moved that SE and Quiddity be authorized to review the District's WCP and DCP for any required updates. Director Vowell seconded the motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Walker next presented to and reviewed with the Board the Engineer's Report dated February 23, 2024, a copy of which is attached hereto as **Exhibit F**, 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 bid tabulation for the Phase III Sanitary Sewer Cleaning and Televising Project, a copy of which is included with the Engineer's Report. Following discussion, Director Vowell moved that the Engineering Report and all action items listed therein be approved, as recommended by Quiddity, including: (i) authorization for Quiddity to award the construction contract for the Phase III Sanitary Sewer Cleaning and Televising Project to CSI Consolidated LLC dba AIMS Companies, in the amount of \$201,577.25, subject to SPH's review of the payment and performance bonds and insurance certificates submitted in connection therewith, and (ii) acceptance of any corresponding Texas Ethics Commission ("TEC") Form 1295s required in connection with said contract. Director Langley 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.

RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board next considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Ms. Free reported that SPH is recommending that the District adopt the updated United States Department of Labor ("DOL") wage rate scales for Harris County, Texas, as permitted under Section 2258.022 of the Government Code. After discussion on the matter, Director Mushen moved that the DOL wage rate scales for Harris County, Texas be adopted as the District's prevailing wage rate scales for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scales for Construction Projects attached hereto as **Exhibit G**, be adopted by the Board. Director Langley seconded said motion, which unanimously carried.

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. A discussion ensued regarding use of asphalt versus concrete. Following discussion, the Board requested that Martinez Architects attend the next Board meeting.

SECURITY REPORT

Ms. Free presented the security report to the Board, a copy of which is attached hereto as **Exhibit H**. A discussion ensued regarding surveillance monitoring providers. Director Langley advised that the Security Subcommittee would present proposals to the Board at its next meeting.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board next considered the renewal of the District's insurance coverages which expire March 31, 2024. In that regard, the Board discussed the proposal received from the District's current insurance provider, Arthur J. Gallagher & Co. ("Gallagher"), a copy of which is attached hereto as **Exhibit I**. After discussion, Director Vowell moved that the proposal from Gallagher be accepted, and that the President be authorized to execute the accepted proposal on behalf of the Board and the District. Director Alvarado 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.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 4, 2024. Ms. Free advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 20, 2024. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Ms. Free then presented to and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit J**. After discussion, Director Vowell moved that the Order be adopted by the Board declaring Robert K. Pollard and Daniel Mushen elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 4, 2024, be cancelled. Director Langley seconded said motion, which unanimously carried.

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 Langley, 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 EVO Report
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Resolution Concerning Developed District Status for 2024 Tax Year
- Exhibit E Operations and Maintenance Report
- Exhibit F Engineer's Report
- Exhibit G Resolution Adopting Prevailing Wage Rate Scales for Construction Projects
- Exhibit H Security Report
- Exhibit I 2024-2025 Insurance Proposal
- Exhibit J Order Declaring Candidates Elected

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