

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Board of Directors Meeting

March 18, 2024

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 March 18, 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"); Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); Michelle Guerrero of Bob Leared Interests ("BLI"); Luis Cebrian of Champions Hydro-Lawn, Inc. ("Champions"); Alyssa Saccomen of McCall Gibson Swedlund Barfoot PLLC ("MGSB"); Andy Parker of Parker & Sanchez, PLLC ("Parker Sanchez") who entered the meeting after it was called to order as indicated herein; and Katie Blasio, Matthew Reed, and Donje Chatmon of Schwartz, Page & Harding, L.L.P. ("SPH").

PUBLIC COMMENT

The Board began by opening the meeting for public comments. There being no comments provided, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board deferred consideration of approval of the minutes of the regular Board of Directors meeting held on February 19, 2024, and the special Board of Directors meeting held on March 4, 2024.

ENGAGEMENT OF AUDITOR TO PREPARE THE DISTRICT AUDIT FOR FISCAL YEAR ENDING MARCH 31, 2024

The Board considered the engagement of MGSB to prepare the District's audit report for the fiscal year ending March 31, 2024. Ms. Saccomen presented to the Board an engagement letter dated March 18, 2024, and the related Texas Ethics Commission ("TEC") Form 1295. She stated that MGSB's fee for the preparation of said audit is estimated to be between \$18,000 and \$20,000 for the District's activities, and between \$5,000 and \$6,000 each for the joint water plant activities and the joint wastewater treatment plant activities, a copy of such engagement letter is attached hereto as **EXHIBIT A**. After discussion, Director Petry moved that the engagement letter from MGSB to prepare the District's audit for fiscal year ending March 31, 2024, be approved, and that SPH be authorized to acknowledge the TEC Form 1295 from MGSB. Director Kallus seconded said motion, which unanimously carried.

Ms. Saccomen 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 March 2024, a copy of which is attached hereto as **EXHIBIT B**.

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 February 29, 2024, a copy of which is attached hereto as **EXHIBIT C**. 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 Kallus seconded said motion, which unanimously carried.

Mr. Parker entered the meeting during this discussion.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Blasio presented to and reviewed with the Board the Delinquent Tax ("Report") from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto as **EXHIBIT D**. After discussion, Director Kallus moved that accounts 2133255 and 2133256 be moved to uncollectible, as recommended by Perdue. Director Stephens seconded said motion,

which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Michaux presented to and reviewed with the Board the Bookkeeping Report, dated March 18, 2024, a copy of which is attached hereto as **EXHIBIT E**, including the disbursements presented therein for payment from the District's various accounts. After discussion, Director Petry moved that the Bookkeeping Report be approved, and that the disbursements presented therein be approved for payment. Director VanDyke seconded said motion, which unanimously carried.

OPERATING BUDGET

Ms. Michaux next presented to and reviewed with the Board the operating budgets for fiscal year ending March 31, 2025, copies of which are attached hereto as **EXHIBIT F**. After discussion, Director Petry moved that the operating budget for the general operating fund and the funds for the joint wastewater treatment plant and joint water plant for the District's fiscal year ending March 31, 2025, be approved. Director Cline seconded said motion, which unanimously carried.

UNCLAIMED PROPERTY REPORT AS OF MARCH 1, 2024

The Board then considered authorizing the preparation of Unclaimed Property Report as of March 1, 2024, and the filing of same with the State Comptroller prior to July 1, 2024. After discussion, Director Cline moved that the District's consultants be authorized to research for unclaimed property, and that the Bookkeeper prepare an Unclaimed Property Report, if necessary, and that the Bookkeeper file said report with the State Comptroller prior to July 1, 2024. Director Kallus seconded said motion, which unanimously carried.

EXECUTIVE SESSION

The President announced at 2:08 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, Mr. Bishop, Ms. Parker, SPH, and Mr. Parker, exited at this time.

Mr. Bishop, Ms. Parker, and Mr. Reed exited the meeting during closed discussion.

The Board reconvened in Open Session at 3:29 p.m.

Mr. Davila, Mr. Bishop, Ms. Parker and Ms. Guerrero re-entered the meeting at this time.

In connection with litigation among Harris County Municipal Utility District No. 257 ("No. 257"), Si Environmental, LLC and the District (Cause No. 2022-79830, 61st District Court, Harris County, Texas), Director Kallus moved that the litigation committee be authorized to settle on behalf of the District in mediation for an amount up to the amount agreed upon in closed session. Director Stephens seconded said motion, which unanimously carried.

Director VanDyke exited the meeting at this time.

OPERATOR'S REPORT

Mr. Davila presented to and reviewed with the Board the Operator's Report dated March 18, 2024, a copy of which is attached hereto as **EXHIBIT G**. Mr. Davila then presented to and reviewed with the Board the list of delinquent accounts for the prior month. He requested authorization to refer two (2) accounts to collections in the total amount of \$174.97. Mr. Davila advised that the Water Well No. 1 motor replacement is complete. He also advised that the motor of Water Well No. 2 requires emergency replacement. He advised that Director Cline approved a proposal for such replacement in the total amount of \$89,532.80 between meetings due to the urgency and high rental cost, a copy of which is included in the Operator's Report. Mr. Davila next presented to and reviewed with the Board the NetDMR Subscriber Agreement for approval. After discussion, Director Kallus moved that (i) the two (2) accounts be referred to collections, (ii) Director Cline's approval of the proposal for replacement of the motor of Water Well No. 2 be ratified in all respects, and (iii) the Net DMR Subscriber Agreement be approved, as requested. Director Cline seconded said motion, which unanimously carried. The Board deferred consideration of Inframark's requested annual price increase until reviewed by SPH.

ENGINEER'S REPORT

Mr. Bishop presented to and reviewed with the Board the Engineer's Report, dated March 15, 2024, a copy of which is attached hereto as **EXHIBIT H**, relative to the status of various projects within the District.

Mr. Bishop reported to the Board that Insituform Technologies completed the cleaning and televising walk and is preparing to proceed with the sanitary sewer rehabilitation work. Mr. Bishop also provided an update to the Board on the water plant replacement project, advising the District is awaiting a decision from No. 257 regarding its participation in such project. The Board requested that Quiddity prepare a proposal for design of such project. After discussion, Mr. Bishop confirmed that there were no action items requiring the Board's approval at this time.

CONSIDER ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

The Board deferred consideration of the adoption of Resolution Concerning Developed District Status for the 2024 Tax Year.

SUBMISSION OF CRITICAL LOAD STATUS INFORMATION TO ELECTRICITY PROVIDERS

Ms. Blasio reported that Section 13.1396 of the Texas Water Code, requires that the District annually submit a list of its potential critical load status facilities to each electric distribution utility and each retail electric utility provider for a determination that the facilities qualify for critical load status. After discussion, Director Petry moved that Quiddity and Inframark be authorized to make such annual submission on behalf of the District. Director Cline seconded said motion, which unanimously carried.

AMENDMENT TO DISTRICT'S RATE ORDER

The Board next considered an amendment to the District's Rate Order in connection with the annual Consumer Price Index ("CPI") increase imposed by Texas Pride. Ms. Blasio reported that the CPI service rate will increase by 5%, which is a \$0.90 increase. After 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 \$30.07 to account for the CPI increase from Texas Pride and that any and all prior Rate Orders be revoked effective April 1, 2024. Director Kallus seconded said motion, which unanimously carried. A copy of the CPI Notice from Texas Pride and the Rate Order is attached hereto as **EXHIBIT I**.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

The Board agreed that going forward any Director may attend the West Harris County Regional Water Authority meetings and provide an update on Authority matters at the next Board meeting.

ATTORNEY'S REPORT

The Board next considered the Attorney’s Report. In connection therewith, Ms. Blasio reported that she did not have anything further to discuss with the Board of a legal nature that was not already discussed under an agenda item.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 4, 2024. Ms. Blasio 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 to the Secretary declaring all candidates unopposed. Ms. Blasio then presented and reviewed the Order Declaring Candidates Elected, a copy of which is attached hereto as **EXHIBIT J**. After discussion, Director Petry moved that the Order be adopted by the Board declaring Stefanie F. Cline and John R. VanDyke 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 executed and the Secretary to attest to same on behalf of the Board and the District, and that the Directors Election called for May 4, 2024, be canceled. Director Kallus seconded said motion, which unanimously carried.

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.

ADJOURNMENT

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



Margaret Petry
Secretary, Board of Directors

List of Exhibits to
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
Meeting on March 18, 2024

- Exhibit A McCall Gibson Swedlund Barefoot PLLC Engagement Letter
- Exhibit B Champions Hydro-Lawn, Inc. Report
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Delinquent Tax Report
- Exhibit E Bookkeeping Report
- Exhibit F Operating Budgets for Fiscal Year Ending March 31, 2025
- Exhibit G Operator's Report
- Exhibit H Engineer's Report
- Exhibit I Amended Rate Order and Texas Pride CPI Notice
- Exhibit J Certificate of No Contest and Order Declaring Candidates Elected