

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors

August 19, 2024

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 155 (“District”) met on Monday, August 19, 2024, at Workspace Suites at 16610 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. Debbie Arellano, tax assessor-collector; Mr. Jorge Diaz of McLennan & Associates, LP; Mr. John Taylor of Municipal Operations & Consulting; Mr. John Gerdes of Texas Land Engineers, Inc.; Ms. Wendy Ramirez of Forvis Mazars, LLP; 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 meeting held July 15, 2024, which the Board unanimously approved as presented. Next month the Board will consider minutes of the special meeting held July 22, 2024.

Tax assessor-collector’s report, copy attached, including invoices and a list of delinquent accounts. Through July 31, the rate of collection of 2023 taxes is 98.494%.

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

After discussion, upon motion by Director Manahan, seconded by Director Scott, 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 considered annual budgets for the District’s general operating fund, the regional sewage treatment plant, and joint water plant. The bookkeepers have revised those budgets as directed by the Board at its special meeting of July 22. Upon further review of

each budget, upon unanimous vote, the budgets were approved and the attached Resolutions adopting each budget were adopted. In connection with this action, the tax assessor-collector noted her office would post the adopted budgets on the internet as required under Texas Tax Code §26.18 and Texas Government Code §2051.202.

4. Ms. Ramirez approached the Board and presented a proposal from Forvis Mazars, LLP for performing the annual audit for the District's fiscal year ending August 31, 2024. Ms. Ramirez reviewed the proposal, noting a fee of \$21,100 for the District audit, and of \$3,200 each for the water plant and sewage treatment plant audits. Technological and administrative costs will be billed at \$1,100 for the general audit, and at \$300 each for the water and sewer treatment plant audits. The Board discussed the proposal and objected to the increased fees. After further discussion, however, upon unanimous vote, the Board accepted the proposal and agreed to the fees, but asked to be provided advance notice in future years if the auditors intended to increase fees.

5. John Taylor presented an operations report, copy attached. The report reflected 826 connections, including eight vacancies. The sewage treatment plant had operated at 43% of capacity during the month and without excursions. Total water accountability during the month was 94%; when limited to within the District, accountability was 86%.

Mr. Taylor reported problems with the clarifier drive and the upper and lower gear boxes at the large plant at the joint sewage treatment plant. He provided details to the Board and reported that the operators believe these facilities can be repaired rather than replaced. In a worst-case scenario, it may be necessary to replace the gearbox, and Mr. Taylor estimated a cost of \$60,000. At this time, the small plant is operating at 100% capacity. Mr. Taylor stated he would soon meet on site with the District's engineer to observe the entire plant and identify any other work that could be done while the clarifier drive and gearbox are under repair. Mr. Taylor next reported that during the May derecho, the auger at the sewage plant broke and cannot be repaired. Mr. Taylor recommended replacement at an estimated cost of \$150,000 or, in the alternative, a step screen could be purchased for approximately \$50,000. After discussion, the Board agreed unanimously to proceed with purchase of a used step screen.

Mr. Taylor then reported on the digital read-out device that was installed at the District's water plant. It has recorded four days' worth of data thus far, and by the next meeting, a full month of data will be available. Mr. Taylor will provide this information to John Gerdes, who will review and discuss it with electrical engineers.

Mr. Taylor next reported that the lead service line inventory has been submitted earlier this month to the Texas Commission on Environmental Quality on behalf of the District. The inventory is required under revisions to the federal lead and copper rules as administered in Texas by the TCEQ. The submission is due by October 16, 2024, so the August submission is timely.

Mr. Taylor submitted a list of 32 delinquent accounts eligible for termination of utility service for nonpayment. The operators have received no appeals from any customers, and no customers were present at the Board meeting to contest their bills. After discussion, the Board unanimously acknowledged that pursuant to provisions of the District's Rate Order, the operator will proceed with termination of utility service to accounts remaining delinquent as of the cutoff date. There was one closed delinquent account in the amount of \$26.72 recommended for write-off or sending to collections, and upon unanimous vote, the Board approved the appropriate action.

After further discussion, upon motion by Director Wilhelm, seconded by Director Scott, the Board approved the operator's report as presented.

6. John Gerdes presented an engineer's report, copy attached. He reported that the final notice required for renewal of the District's waste discharge permit will be published on August 21, and he expects the permit will be renewed soon afterwards. He then reported that for the time being, the engineers have paused looking into alternatives to the air header and diffusers at the sewage treatment plant, as the action may not be necessary given the work to be done on the clarifier rake arm and gearboxes. Mr. Gerdes then discussed activities at the joint water plant and noted that both the interior and exterior of ground storage tank No. 2 need to be painted. The engineer intends to publicly advertise for this project next month.

Regarding failure of the storm overflow structure at Crossfield Drive near the back of Miller's Way, Mr. Gerdes reported that since his meeting in late June with Precinct 3 representatives, he has requested additional survey information of the overflow area. Mr. Gerdes also plans to obtain and review as-built drawings in order to reevaluate drainage given the failure and then provide that information to the Precinct.

Mr. Gerdes next discussed the pedestrian bridge crossing Horsepen Creek. He noted the Board's desire to move forward with this project and has also been in discussion with nearby schools about installing sidewalks. Ms. Parks reported she had spoken with the attorneys for Harris County MUD No. 172 about the conveyance of land. No. 172 is in the process of reviewing existing and possibly additional easements deemed necessary and drafting a deed to the District.

The Board discussed the repair of District fences damaged by the derecho storm event in May and Hurricane Beryl in July. Mr. Gerdes reported that JAK Environmental LLC has completed repair of the derecho damage. The engineers will soon inspect these repairs and are also working with the contractor on complaints received from nearby homeowners concerning the two-inch gap at the bottom of the fence necessary for drainage. Mr. Gerdes reported that JAK can now work on repair of fence damage caused by the hurricane, which will be handled under a second insurance claim. There was further discussion of homeowner reactions to the completed fence repairs and the desire of some homeowners to modify the fence behind their yards. The Board contemplated installing signs on the fence indicating it is the District's property. No decision was made at this time. After further discussion of engineering matters, upon motion by Director Wilhelm, seconded by Director Scott, the Board approved the report as presented.

7. The Board reviewed Michael Smith's written report on landscape maintenance. The report indicated grounds maintenance is on schedule and the irrigation system is operating normally. After further discussion, the Board approved Mr. Smith's report.

8. The Board discussed pending business. As no representatives of other participants in the regional waste treatment facilities were present, there was no further discussion to undertake.

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

Secretary