

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149

Minutes of Board of Directors Meeting

October 21, 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 October 21, 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:

Stefanie Cline, President
Terrence Stephens, Vice President
Margaret Petry, Secretary
Randall Kallus, Assistant Secretary
John R. VanDyke, Assistant Secretary

all of whom were present, except Director VanDyke, thus constituting a quorum.

Also present were: Justin Abshire 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"); Sam Miskimins of Champions Hydro-Lawn, Inc. ("Champions"); Anthea Moran of Masterson Advisors LLC ("Masterson"); and Gina Free 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 considered approval of the minutes of its September 16, 2024, Board meeting. Ms. Free advised that SPH revised said minutes to reflect the correct date of said minutes. After discussion, Director Cline moved that the minutes of the Board meeting held on September 16, 2024 be approved, as revised. Director Kallus seconded said motion, which unanimously carried.

RESIGNATION OF DIRECTOR JOHN VANDYKE

Ms. Free advised the Board that SPH has been advised of Director VanDyke's intent to resign from the Board. In connection therewith, she presented to the Board a resignation letter from John VanDyke as a Director of the District effective November 1, 2024, attached hereto as **EXHIBIT A**. After discussion, upon motion duly made by Director Stephens, seconded by Director Kallus, and unanimously carried, Director VanDyke's resignation was accepted.

REVIEW AND APPROVAL OF PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE IN CONNECTION WITH THE DISTRICT'S UNLIMITED TAX BONDS SERIES 2024 (the "Bonds")

Ms. Moran next presented to and reviewed with the Board a proposed form of Official Notice of Sale ("Notice") and Preliminary Official Statement ("POS"), both of which are attached hereto as **EXHIBIT B**. After discussion, Director Petry moved that (i) the Notice and POS be approved subject to SPH and consultants' final comments, if any, (ii) Masterson be authorized to complete and distribute the Notice and POS in anticipation of the sale of the Bonds, and (iii) the Notice and POS be deemed to be final for all purposes with the exception of any additional materials or information relating to subsequent material events, offering process, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, and terms and provisions to be specified in the competitive bidding process. Director Cline seconded said motion, which unanimously carried.

AUTHORIZE FINANCIAL ADVISOR TO ADVERTISE FOR THE SALE OF THE BONDS

The Board next considered authorizing Masterson to advertise for the sale of the Bonds. After discussion on the matter, Director Petry moved that the Board authorize Masterson to advertise for the sale of the Bonds as required by law. Director Cline seconded said motion, which unanimously carried.

DESIGNATION OF PAYING AGENT/REGISTRAR

The Board next considered the designation of a Paying Agent/Registrar in connection with the proposed sale of the Bonds. Ms. Moran recommended designating The Bank of New York Mellon Trust Co., N.A. ("BONY") to serve in such capacity. After discussion, Director Petry moved that BONY be designated as Paying Agent/Registrar for the Bonds. Director Cline seconded the motion, which carried unanimously.

ATTORNEY GENERAL'S FEES

The Board next considered authorizing the District's bookkeeper to prepare a wire for the Attorney General's fee in connection with the review of the transcript of the proceedings related to the proposed sale of the Bonds. Ms. Free advised that a fee of \$9,500 will be payable to the Attorney General of Texas in connection with its review of the transcript of proceedings following the sale of the Bonds. After discussion on the matter, Director Petry moved that the District's bookkeeper be authorized to issue a wire in the amount of \$9,500 for Attorney General Fees relative to the sale of the Bonds. Director Cline seconded the motion, which carried unanimously.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S PROPOSED 2024 TAX RATE

As the next order of business, the Board conducted a public hearing regarding the adoption of the District's proposed tax rate for 2024. There being no public comments offered, upon a motion made by Director Petry, seconded by Director Kallus and unanimously carried, such hearing was closed.

LEVY OF THE DISTRICT'S 2024 DEBT SERVICE AND MAINTENANCE TAX RATES

The Board discussed setting the District's 2024 tax rate. Ms. Guerrero confirmed that the notice of the District's intention to set a tax rate, a copy of which is attached hereto as **EXHIBIT C**, was published in *The Houston Chronicle* in accordance with all legal requirements and as directed by the Board at its September 16, 2024, meeting. After discussion, Director Petry moved that: (i) the Board adopt the total tax rate as proposed at the Board's September 16, 2024, meeting and as reflected in the notice; (ii) the District levy a 2024 maintenance tax rate of \$0.242 per \$100 of assessed valuation, and a debt service tax rate of \$0.395 per \$100 of assessed valuation for a total 2024 tax rate of \$0.637 per \$100 of assessed valuation; and (iii) the Order Levying Taxes, attached hereto as **EXHIBIT D**, be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Kallus seconded said motion, which unanimously carried.

APPROVAL AND EXECUTION OF AMENDED DISTRICT INFORMATION FORM

Ms. Free next presented and discussed with the Board an Amendment to the Amended District Information Form relative to the District's 2024 tax rate. After discussion regarding said form, Director Cline moved that the amended District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Stephens seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Guerrero presented to and reviewed with the Board the Tax Assessor-Collector's Report, dated September 30, 2024, a copy of which is attached hereto as **EXHIBIT E**. 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.

DELINQUENT TAX ATTORNEY'S REPORT

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

BOOKKEEPER'S REPORT

Ms. Michaux presented to and reviewed with the Board the Bookkeeping Report, dated October 21, 2024, a copy of which is attached hereto as **EXHIBIT F**, including the disbursements presented therein for payment from the District's various accounts. Ms. Michaux responded to various questions and comments from the Board regarding items in the Bookkeeper's Report. She advised the Board that check no. 3300 to AT&T in the amount of \$360.19 for the joint water plant was added to this month's disbursements. After discussion, Director Petry moved that the Bookkeeping Report be approved and that the disbursements presented therein be approved for payment. Director Stephens seconded said motion, which unanimously carried.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING

The Board considered the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Ms. Free advised the Board that governmental entities, including the District, are required to prepare an annual report on the entities metered usage of electricity and the aggregate costs for same. She then noted that Acclaim Energy has provided an annual report, a copy of which is attached to the Bookkeeper's Report, summarizing the District's electricity usage and costs. Ms. Free advised that no Board action was necessary.

ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

Ms. Free next advised the Board that the Public Funds Investment Act required the District to review its investment policy and investment strategies included within the Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") on an annual basis. In that regard, Ms. Free advised the Board that SPH is not recommending that the District make any changes to the Investment Policy at this time. After discussion, Director Kallus moved that: (i) the policies, procedures, provisions, and investment strategies set forth in the Investment Policy adopted October 16, 2023, be affirmed and that the Investment Policy remain in effect until amended by further Order of the District; and (ii) the Resolution Regarding

Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, attached hereto as **EXHIBIT G**, be adopted by the Board. Director Stephens seconded said motion, which unanimously carried.

RESIDENTIAL SOLID WASTE AND RECYCLING SERVICES PROVIDED BY TEXAS PRIDE

The Board next briefly discussed the solid waste and recycling services being performed by Texas Pride, including the need for placement of a dumpster at a central location within the District, and noted that a representative of Texas Pride was not in attendance.

OPERATOR'S REPORT

Mr. Davila presented to and reviewed with the Board the Operator's Report dated October 21, 2024, for the month of September, a copy of which is attached hereto as **EXHIBIT H**. Mr. Davila then presented to and reviewed with the Board a delinquent account for the prior month. He requested authorization to refer four (4) accounts to collections totaling \$398.94. Director Cline then discussed the water and sewer usage by Harris County Municipal Utility District No. 257 ("HC 257") and requested this information be included in the Operator's Report going forward. She also requested that Inframark confirm that the Bookkeeper, the Engineer, and the Operator receive a copy of the usage report prior to the meetings and that she is included in the email correspondence.

After discussion, Director Kallus moved that the four (4) accounts totaling \$398.14 listed in the Operator's Report be sent to a collection agency for further collection efforts. Director Petry seconded said motion, which unanimously carried.

Ms. Moran exited the meeting at this time.

ENGINEER'S REPORT

Mr. Abshire presented to and reviewed with the Board the Engineer's Report, dated October 18, 2024, a copy of which is attached hereto as **EXHIBIT I**, relative to the status of various projects within the District.

In connection with the Wastewater Treatment Plan digester rehabilitation, Mr. Abshire advised the Board that Quiddity recommends proceeding with this rehabilitation. He provided a scope of work and cost estimate of \$419,200 total, with the District's share being \$353,972, a copy of which is included with the Engineer's Report, and requested Board approval.

In connection with the Water Plant Re-Build Project, Mr. Abshire advised the Board that design of this project is sixty percent (60%) complete and Quiddity has scheduled a meeting with Inframark to complete a walkthrough to make sure the project is still on track.

Mr. Abshire next discussed the Sanitary Sewer Rehabilitation Project and advised the Board that Insituform Technologies, Inc. submitted Pay Application No. 2 in the amount of \$154,207.80 and Pay Application No. 3 in the amount of \$29,308.50 for Board approval.

In connection with Arabella Plaza development, Mr. Abshire advised the Board that the utility commitment has expired and Quiddity has not received updates from the owner or the owner's representatives in months, so when they are ready to proceed an updated utility commitment will be required.

Mr. Abshire then discussed the site modifications at Elite Auto Experts, and he advised the Board that Quiddity will be investigating to determine if their plans are within the District guidelines since they expanded their impervious cover by adding additional paving beyond what was approved by the District in 2018.

After discussion, Director Kallus moved that: (i) Quiddity be authorized to proceed with the Wastewater Treatment Plant digester rehabilitation in the total amount of \$419,200, and (ii) Pay Application No. 2 in the amount of \$154,207.80 and Pay Application No. 3 in the amount of \$29,308.50 to Insituform Technologies, Inc. for the Sanitary Sewer Rehabilitation Project, be approved. Director Petry seconded said motion, which unanimously carried.

CHAMPIONS REPORT

Mr. Miskimins presented to and reviewed with the Board the Detention and Drainage Facilities Report prepared by Champions dated October 2024, a copy of which is attached hereto as **EXHIBIT J**. The Board discussed concerns regarding debris in the HCFCD drainage channel. Director Stephens then discussed how long the District would have the back-up generator. After discussion, it was moved by Director Petry that: (i) SPH be authorized to send a demand letter to a certain resident to remove debris, and (ii) the District keep the temporary generator until further notice. Director Cline seconded said motion, which unanimously carried.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

The Board deferred consideration of a report from the Authority.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Ms. Free discussed with the Board the representation letter ("Letter") prepared by McCall Gibson Swedlund Barfoot PLLC in connection with the District's audit of financial statements, a copy of which is attached hereto as **EXHIBIT K**. After discussion, Director Cline moved that the Letter be approved and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Petry seconded said motion, which unanimously carried.

EXECUTIVE SESSION

The Board determined that it would not be necessary to meet in Closed Session at this time.

FUTURE AGENDA ITEMS

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

ADJOURNMENT

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

Randall Kallus
Assistant Secretary, Board of Directors



List of Exhibits to
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 149
Meeting on October 21, 2024

- Exhibit A John VanDyke Letter of Resignation
- Exhibit B Official Notice of Sale and Preliminary Official Statement
- Exhibit C Affidavit of Publication
- Exhibit D Order Levying Taxes
- Exhibit E Tax Assessor-Collector's Report
- Exhibit F Bookkeeping Report
- Exhibit G Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit H Operator's Report
- Exhibit I Engineer's Report
- Exhibit J Champions Hydro-Lawn, Inc. Report
- Exhibit K McCall Gibson Swedlund Barfoot, PLLC Representation Letter