

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

Minutes of Meeting of Board of Directors

June 16, 2025

The Board of Directors ("Board") of Harris County Municipal Utility District No. 155 ("District") met on Monday, June 16, 2025, 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. John Taylor of Municipal Operations & Consulting; Mr. John Gerdes of Texas Land Engineers, Inc.; Ms. Demitra Berry of McLennan & Associates, LP; Mr. Dan McDonald of McDonald & Wessendorf Insurance; Mr. Tim Applewhite and Mr. T.J. Florete of McGrath & Co. PLLC; Mr. Jeff Penney of Harris County MUD No. 156; 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 its meeting held May 19, 2025, which the Board unanimously approved as presented.

Tax assessor-collector's report, copy attached, including invoices and a list of delinquent accounts. Through May 31, 2025, the District's 2024 taxes are 98.301% collected.

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

After discussion, upon motion by Director Wilhelm, seconded by Director Scott, the Board unanimously approved the items on the Consent Agenda, including checks as reflected on the tax assessor's and bookkeeper's reports.

2. The Board opened the meeting for public comment. Tim Applewhite addressed the Board and introduced himself and his colleague, Mr. Florete. Since the District's

engagement last month of McGrath & Co. PLLC, Mr. Applewhite and Mr. Florete wanted to stop by to inform the Board that they will be the accountants working on the District's audit. The Board was pleased to meet the gentlemen and looked forward to working with them. Mr. Penney briefly addressed the Board, noting his recent attendance of the annual conference of the Association of Water Board Directors. Mr. McDonald greeted the Board and stated he would speak further when the Board discusses addressing cyber-related events, including cyber liability insurance.

3. The Board considered additional tax matters, with Ms. Arellano reporting that preliminary 2025 taxable values had been received from the Harris Central Appraisal District. The preliminary value for 2025 is \$240,557,383, a 4.29% increase over 2024 values.

4. The Board considered the attached Order Designating Additional Meeting Place Outside District. This Order would establish 7102 W. Sam Houston Parkway N., Suite 230, Houston, Texas, located outside of the boundaries of the District, as an additional Board meeting location. After discussion, upon motion by Director Manahan, seconded by Director Denmon, the Board unanimously adopted the Order as presented.

5. The Board then considered draft operating, joint water plant, and joint sewage treatment plant budgets for the fiscal year ending August 31, 2026. After discussion, the Board agreed to schedule a special meeting for budget review on Saturday, July 12.

6. Ms. Parks mentioned that the District's investment officers are required by law to disclose annually any personal business relationships with individuals or entities offering to engage in investment transactions with the District. Investment officers Jorge Diaz and Director Manahan have been provided appropriate forms and have made their annual disclosures.

7. John Taylor presented an operations report, copy attached. The report reflected 826 connections, including two vacancies. The regional sewage treatment plant had operated at 36% of permitted capacity during the month and without excursions. Mr. Taylor stated that flow through the sewage treatment plant will likely be much higher next month due to recent rains. Water accountability for the month was 99%, and when limited to the area within the District's boundaries, it was 98%.

Mr. Taylor submitted a list of 42 open delinquent accounts eligible for termination of utility service for nonpayment. The operators had 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.

Mr. Taylor addressed the painting of fire hydrants and reported he had obtained one proposal for this work which he had sent to Mr. Gerdes. He had become also aware of a vendor that cleans hydrants without blasting them with water or other materials, at an estimated price of \$85 per hydrant. Mr. Gerdes will follow up with this vendor.

Mr. Taylor reported that the District had been contacted by Ezee Fiber concerning its plans to begin constructing fiberoptic facilities within the public road right-of-way and/or utility easements within the District. Ezee Fiber had provided its plan set and stated its intention to collaborate with District representatives to identify District facilities in the right-of-way to minimize the potential for damages. The District's attorney, operator, and engineer have discussed the matter and will provide the District's water and sewer utility line plans to Ezee Fiber. Mr. Gerdes will also make sure Ezee Fiber is bonded through the County and will request the company's certificate of insurance coverage. The Board further discussed this upcoming work with the operator and engineer. Thereafter, upon motion by Director Wilhelm, seconded by Director Scott, the Board unanimously approved the operator's report as presented.

8. John Gerdes presented an engineer's report, copy attached. He discussed the capital improvements plan (CIP) currently under production for the regional sewage treatment plant and reported that he had met with the District's operator and Director Manahan on the subject. The Board also noted that a CIP should be prepared for the joint water plant, and that Director Denmon will also participate in that process.

Mr. Gerdes addressed the project to recoat ground storage tank No. 2 at the joint water plant. Due to frequent rain, the contractor has only completed application of the primer. Given the delay, Mr. Gerdes has notified the contractor not to proceed with painting until he reinspects the tank. The engineers will soon meet with the contractor to discuss scheduling and will present a new schedule to the Board next month.

Mr. Gerdes addressed failure of the storm overflow structure at Crossfield Drive near Miller's Way. He reported on the progress by contractor GR Construction/Clemente Vela Construction, LLC, noting installation of a parallel 30-inch pipe and related work is approximately 65% complete. Mr. Gerdes described necessary adjustments made in the field due to an issue with the pre-project survey. Mr. Gerdes will provide additional information next month.

Mr. Gerdes discussed installation of a fence at the District's lift station on Longenbaugh. As requested last month by the Board, Mr. Gerdes provided details of the location of the fence and gate and had drawn up plans, but he noted adjustments are needed. It will be necessary to communicate with the property owners association (POA), as it owns property adjacent to the District's lift station site. Director Wilhelm noted he could assist with communications with the POA, and Mr. Gerdes will coordinate the project and determine whether the District will need to acquire property or an easement from the POA. After further discussion of engineering matters, upon unanimous vote, the Board approved the engineer's report as presented.

9. The Board tabled review of a report from Michael's Maintenance Service LLC concerning landscape maintenance at District facilities.

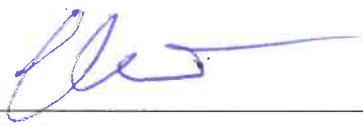
10. The Board discussed matters relating to funds transfers and cybersecurity. As requested last month, Mr. McDonald was present to discuss cyber liability. It was noted that if District funds were lost due to a cyber-related event, the District would first look for recovery to the insurance policies of the consultants handling District funds. Mr. McDonald addressed the

Board to discuss the cyber liability coverage proposal mentioned last month, as well as to generally address matters relating to funds transfers and cyber security. It was recognized that the District has no employees, nor does it have a computer system. Mr. McDonald reviewed proposals with coverage options at \$250,000, \$500,000, and \$1,000,000, but noted that such amounts would be insufficient to cover the losses experienced recently by other Texas water districts. In addition, the events involving other districts had concerned loss of funds by the district, not district loss of customers' or property owners' funds. A cyber liability policy obtained by the District would provide for engagement by the carrier of a defense attorney to defend any claim made against the District. Mr. McDonald emphasized the importance of districts contractually requiring their consultants to carry cyber liability coverage, but noted that even then, issues can arise concerning the amount of coverage that the bookkeeper, operator, and tax assessor-collector consultants can obtain. For districts, then, the issue is a matter of aggregation. Given this, Mr. McDonald stated that his agency is currently working with carriers to formulate a policy to provide secondary coverage for districts. Such coverage would provide defense counsel and limits in excess of (and secondary to) the limits of consultant coverages. The Board appreciated receiving this information and agreed that, in the meantime, the District will obtain certificates of insurance from its consultants who handle District funds. In addition, the Board will consider a proposal for secondary coverage as described above when and if Mr. McDonald is able to offer it.

11. Directors Denmon and Scott completed questionnaires regarding their annual disclosure of any conflicts concerning relationships with or gifts from District consultants. Upon Board review of their completed forms, it noted there were no conflicts disclosed.

12. The Board discussed pending business, noting the next quarterly meeting of regional sewage facilities participants will be held Monday, July 14. Regarding items for placement on the next meeting agenda, it was noted that amendment of the landscape maintenance contract with Michael's Maintenance and review of cyber liability coverage of District consultants should be included for discussion in July.

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



Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 155
NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **Workspace Suites, 16517 Longenbaugh Drive, Houston, Texas 77095**. The meeting will be held at **6:00 p.m. on Monday, June 16, 2025**. The subject of the meeting is to consider and act on the following:

CONSENT AGENDA: The following items are considered routine by the Board and will be enacted by one motion if appropriate. No separate discussion will occur on these items unless a Board member or member of the public so requests, in which event, the item will be considered on the Regular Agenda.

1. Approve minutes of meeting held May 19, 2025
2. Tax assessor-collector's report and payment of invoices; delinquent accounts
3. Bookkeeper's report and payment of invoices; review & approve investment report

REGULAR AGENDA: Consideration of and action on the following items, plus any items removed from the Consent Agenda.

1. Presentation of public comments
2. Order Establishing Additional Meeting Place Outside District
3. Review ethics letter and update by Investment Officer
4. Review draft budget(s) for Fiscal Year Ending August 31, 2026; schedule special meeting for budget review, as necessary and appropriate
5. Operator's report; review active connections and water accountability; status of operation, maintenance, and repair of District facilities; consider customer appeals; termination of service to delinquent accounts; status of ongoing projects
6. Engineer's report:
 - a. capital improvements plan;
 - b. status of ongoing projects, including recoating inside & outside of GST No. 2 at joint water plant and addition of storm pipe at Crossfield
 - c. proposals for installation of fence at Longenbaugh lift station;
 - d. fire hydrant recoating;
 - e. CenterPoint installation of streetlights on Queenston; and
 - f. authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; review and approve contractor pay estimates and change orders; request(s) for utility commitment(s)
7. Report from Michael's Maintenance; authorize repairs and maintenance; Amend contract for landscape maintenance, as necessary and appropriate
8. Proposal for Cyber Liability Insurance; discussion with insurance agent
9. Pending business, including:
 - a. discussion with other regional sewage facilities participants; confirm July 14, 2025 as date for quarterly meeting of participants; and

- b. items for placement on next meeting agenda
10. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071, et seq.
 11. Reconvene in Open Session and act on matters discussed in Executive Session, as necessary



A handwritten signature in black ink that reads "Melissa J. Parks".

Melissa J. Parks
Attorney for the District