

MINUTES OF MEETING OF BOARD OF DIRECTORS  
OCTOBER 10, 2017

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

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The Board of Directors (the "Board") of Harris County Municipal Utility District No. 151 (the "District") met in regular session, open to the public, at Rosemont Assisted Living Center, 6450 Kings Park Way, Humble, Texas, at 11:30 a.m. on October 10, 2017, whereupon the roll was called of the members of the Board, to-wit:

Kent F. Spitzmiller, President  
Jerry Berry, Vice President  
Herman Jordan, Vice President  
Ken Smith, Secretary  
Bill Walker, Assistant Secretary

**Persons Attending.** All members of the Board were present. Also attending all or parts of the meeting were Mr. Joe Stunja of Pinehurst Trail Holdings, LLC, ("Pinehurst Trail Holdings"); Ms. Becky Berry, District resident; Mr. Tim Applewhite of McCall Gibson Swedlund Barfoot PLLC ("MGSB"); Mr. Larry Jones of Severn Trent Services, Inc. ("ST"), operators for the District; Mr. Jorge Diaz of McLennan and Associates, bookkeeper for the District; Ms. Yvonne Luevano of Wheeler & Associates ("Wheeler"), tax assessor and collector for the District; and Ms. Brenda Presser, paralegal, of Norton Rose Fulbright US LLP ("NRF"), law firm representing the District.

**Call to Order.** The meeting was called to order and, in accordance with notice posted pursuant to law, copies of the certificates of posting of which are attached hereto as *Exhibit A*, the following business was transacted:

1. **Minutes.** Proposed minutes of the regular meeting of September 12, 2017, previously distributed to the Board, were presented for approval. Upon motion by Director Berry, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of September 12, 2017, as presented.

2. **Approve audit for fiscal year ending May 31, 2017.** Mr. Applewhite presented to and reviewed with the Board an audit management letter from MGSB, and a draft audit for fiscal year ending May 31, 2017, copies of which are attached hereto as *Exhibit B*.

Upon motion by Director Jordan, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize the filing of the District's audit for fiscal year ending May 31, 2017, and to authorize the President to execute the representation letter.

3. **Tax Collector's Report.** The Board reviewed the Tax Collector's Report and the Delinquent Collections Listing as of September 30, 2017, a copy of which is attached hereto as *Exhibit C*. The report reflects that the District had collected 99.46% of its 2016 taxes as of September 3, 2017. Upon motion by Director Walker, seconded by Director Jordan, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Collector's Report, and to authorize payment of check numbers 3267 through 3269 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

4. **Public Hearing on Tax Rate.** The President opened the public hearing on the proposed tax rate. Hearing no comments, the President closed the public hearing.

5. **Order Setting Tax Rate and Levying Tax for 2017.** The Board reviewed an Order Setting Tax Rate and Levying Tax for 2017 (the "Order"), a copy of which is attached hereto as *Exhibit D*. Upon motion by Director Jordan, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order, thereby levying a tax rate of \$0.35 per \$100 assessed valuation (\$0.29 for debt service and \$0.06 for maintenance and operation).

6. **Amended District Information Form.** The Board reviewed a draft Amendment to the Amended and Restated District Information Form reflecting the 2017 tax rate, a copy of which is attached hereto as *Exhibit E*. Upon motion by Director Berry, seconded by Director Jordan, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize filing of the Amended District Information Form in the Harris County Real Property Records and with the Texas Commission on Environmental Quality.

7. **Bookkeeper's Report.** Mr. Diaz presented to and reviewed with the Board the Bookkeeper's Report for the period from September 13, 2017 to October 10, 2017, certain statements for payment, and the investment report for the period ending September 30, 2017, copies of which are attached hereto as *Exhibit F*.

Mr. Diaz presented check numbers 10446 through 10449 for utilities and pumpage fees for approval and payment upon receipt of invoices expected prior to the District's next meeting.

Mr. Diaz reported that Central Bank provided a rate of 1.35%, which Director Jordan approved pursuant to the Board's instructions last month, on the purchase of a \$500,000 certificate of deposit that will expire on September 26, 2018.

Upon motion by Director Berry, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to approve the Investment Report, to authorize payment of check numbers 10417 through 10450 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

8. **Engineer's Report.** President Spitzmiller reported there is no update from the District Engineer.

9. **Operations Report.** The President recognized Mr. Jones, who presented to and reviewed with the Board the Operations Report for September 2017, a copy of which is attached hereto as *Exhibit G*. He noted that 96.11% of the water pumped was billed for the period of August 22, 2017 to September 21, 2017.

He reviewed the Major Maintenance Summary for September 2017.

Mr. Jones reviewed the delinquent list and requested the Board's authorization to submit two accounts for collection.

Director Berry discussed the elevations of generator and electrical panels for Lift Station Nos. 1 and 2. Mr. Stunja noted that after October 1994 elevations were required to be the higher than projected flood level in the 100-year flood plain or six inches higher than the highest level of water recorded. Discussion ensued about raising the elevation of Lift Station Nos. 1 and 2 and it was the

consensus of the Board to raise the elevation at Lift Station No. 1 by eight feet and retain the current elevation at Lift Station No. 2. The Board also discussed moving the control box to the inside panel at Lift Station No. 2.

President Spitzmiller reported that the District received an invoice from Harris County Alarm Detail relating to charges for an occurrence for an unpermitted false alarm. He said that the District Operator is following up with Harris County Alarm Detail because the invoice was intended for Harris County Municipal Utility District No. 150.

Upon motion by Director Berry, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to authorize termination of service to delinquent accounts in accordance with the District's Rate Order, and to submit two uncollectible accounts for collection.

10. **Developer's Report.** Mr. Stunja updated the Board on proposed development status of two tracts and stated that the investors withdrew. He noted, however, that the proposed movie theatre venture continues to seek developer investment.

11. **Status report on District website.** President Spitzmiller reported the web site has been revised to remove NRF's information and provides contact information for matters related to water service and taxes.

12. **Public Comments.** There were no public comments.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on November 14, 2017.

  
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President, Board of Directors

ATTEST:

  
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Assistant Secretary, Board of Directors

