

MINUTES OF MEETING OF BOARD OF DIRECTORS
NOVEMBER 14, 2017

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

§
§
§

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 Norton Rose Fulbright US LLP, 1301 McKinney, Suite 5100, Houston, Texas, at 11:30 a.m. on November 14, 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, except Director Smith, thus constituting a quorum. Also attending all or parts of the meeting were 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 and Ms. Miranda Burks of Wheeler & Associates ("Wheeler"), tax assessor and collector for the District; and Ms. Jana Cogburn 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. **Public Comments.** There were no comments from the public.
2. **Minutes.** Proposed minutes of the regular meeting of October 10, 2017, previously distributed to the Board, were presented for approval. Upon motion by Director Berry, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of October 10, 2017, as presented.
3. **Tax Collector's Report.** The Board reviewed the Tax Collector's Report and the Delinquent Collections Listing as of October 31, 2017, a copy of which is attached hereto as *Exhibit B*. The report reflects that the District had collected 3.34% of its 2017 taxes as of October 31, 2017.

Upon motion by Director Jordan, seconded by Director Walker, 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 3270 through 3272 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

4. **Bookkeeper's Report.** Mr. Diaz presented to and reviewed with the Board the Bookkeeper's Report for the period from October 11, 2017 to November 14, 2017, certain statements for payment, and the investment report for the period ending October 31, 2017, copies of which are attached hereto as *Exhibit C*.

Mr. Diaz presented check numbers 10482 through 10485 for utilities and TCEQ permit renewal for 2018 for approval and payment upon receipt of invoices expected prior to the District's next meeting.

Pursuant to last month's discussion regarding rates offered to the District by Central Bank, Mr. Diaz reported that he attempted to contact Central Bank about investing proceeds of a Certificate of Deposit due to expire November 25, 2017 but they did not respond. Mr. Diaz said that he contacted Director Jordan, who concurred with Mr. Diaz' recommendation to cash out the certificate of deposit at Independent Bank upon expiration and purchase a new certificate of deposit at BBVA Compass at a rate of 1.30%.

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 accept the Bookkeeper's Report, to approve the Investment Report, to authorize payment of check numbers 10451 through 10485 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein, and to authorize Mr. Diaz to cash out the certificate of deposit at Independent Bank upon expiration and arrange for a new certificate of deposit at BBVA Compass.

5. **Approve amended budget to reflect 2017 tax rate.** Ms. Luevano stated that she requested this item be placed on the agenda for the bookkeeper to update the budget to reflect the anticipated maintenance tax revenue. Ms. Cogburn noted that the budget is a projection of revenue and expenses and that it is not necessary to revise it due to the change in the tax rate for 2017.

6. **Approve and authorize filing of Annual Report of Financial Information & Operating Data.** Ms. Cogburn reported that the District is required to file updated financial information with the Municipal Securities Rulemaking Board as long as there are bonds outstanding 180 days after its fiscal year end. A copy of the Continuing Disclosure Report is attached as *Exhibit D*. Upon motion by Director Jordan, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Continuing Disclosure Report as presented and to authorize NRF to file on EMMA on the District's behalf.

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

8. **Approve amendment to Identity Theft Program and Rate Order.** Mr. Jones reported on the procedures customers must follow for new service to be compliant with the Identity Theft Program. He reviewed the current process, and the capabilities and cost for an amended Identity Theft Program that will allow customers to request new service by phone or online, a copy of which is attached as *Exhibit E*. Mr. Jones noted there is a transaction fee of \$2.50 that the customer will pay. He requested that the Board review the handout, contact him with any questions and stated that no action is required today.

9. **Operations Report.** The President recognized Mr. Jones, who presented to and reviewed with the Board the Operations Report for October 2017, a copy of which is attached hereto as *Exhibit F*. He noted that 87.02% of the water pumped was billed for the period of September 22, 2017 to October 19, 2017.

He reviewed the Major Maintenance Summary for October 2017.

Mr. Jones reported that the off-site well is online, as well as the on-site well, with the off-site well operating as the lead well. He stated that the off-site well is operating at full capacity while under warranty to ensure there are no issues following recent repairs.

Director Spitzmiller discussed payment issues from Rosemont Assisted Living, resulting in delinquent status. He reported there are two accounts that are paid by one check and only one account number is provided as a reference. Discussion ensued regarding proposed resolutions. Mr. Jones said that he will follow up with Rosemont.

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 the Operations Report, and to authorize termination of service to delinquent accounts in accordance with the District's Rate Order.

10. **Developer's Report.** There were no developers present and no report was presented to the Board.

11. **Status report on District website.** No report was presented to the Board

12. **Vote for Representative on Harris County Appraisal District.** Ms. Presser reported that the Harris County Appraisal District is accepting votes for the candidates to represent water districts, noting there are two candidates are running for the open position.

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 cast its vote for Michael Keck, and authorize execution of a resolution casting the District's vote. The resolution is attached as *Exhibit G*.

13. **Matters pertaining to 2018 Directors Election.** Ms. Presser stated that the Election Code allows the Secretary to appoint an agent to maintain regular office hours, make available District documents and to receive any personally delivered documents relating to the election. She noted that the positions held by Directors Berry, Smith and Walker expire in May 2018.

Ms. Presser reported that the District is required to post a Notice of the Deadline to File an Application to have your name on the ballot. She noted the filing period is from January 17, 2018 to February 16, 2018.

Ms. Presser presented to the Board a Resolution Authorizing Publication of Notice of Intent Not to Use An Electronic Voting System. She stated that the District is exempt from using an electronic voting system if the most recent Directors Election was not held because the candidates were unopposed or if there were less than 250 voters that voted in the last Directors Election. She also noted that a notice of the District's intent to not use an electronic voting system must be published in a newspaper of general circulation in the District.

Upon motion by Director Jordan, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Brenda Presser as Election Agent for the District, to approve, authorize execution, and authorize posting of notice of the Appointment of Agent, to approve and authorize posting of the Notice of the Deadline to File an Application, and to approve and authorize publication of notice of the District's intent to not use a voting machine system, copies of which are attached hereto as *Exhibit H, H-1, and H-2*, respectively.

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

* * *

The foregoing minutes were passed and approved by the Board of Directors on December 12, 2017.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

