

MINUTES OF MEETING OF BOARD OF DIRECTORS
MAY 9, 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 May 9, 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 Walker, thus constituting a quorum. Also attending all or parts of the meeting Mr. Brian Toldan of McCall, Gibson, Swedlund and Barfoot PLLC ("MGSB"), auditor for the District; Mr. Joe Stunja of Pinehurst Trail Holdings, LLC, ("Pinehurst Trail Holdings"); Mr. David Toone of PinPoint Commercial, L.P.; Mr. Alan Jenkins of Severn Trent Environmental Services, Inc. ("ST"), operator for the District; Ms. Diane Bailey 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 meeting of April 11, 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 meeting of April 11, 2017, as presented.

2. **Engage auditor to prepare fiscal year-end audit(s).** The President recognized Mr. Toldan, who presented to and reviewed with the Board an auditor engagement letter, a copy of which is attached hereto as *Exhibit B*, and which includes an evergreen clause that provides for ongoing auditing services for preparation of the District's annual audit. He stated that services may be terminated at any time upon thirty days written notice by either party. He discussed fees for subsequent audit preparations and noted the fees will be similar to those for previous preparations, which are in the range of \$13,500 to \$14,500. Discussion ensued. 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 an engagement letter with MGSB that includes an evergreen clause to perform the District's audit for fiscal year ending May 31, 2017, and subsequent years until terminated by either party pursuant to the terms of the engagement letter.

3. **Tax Collector's Report.** The Board reviewed the Tax Collector's Report and the Delinquent Collections Listing as of April 30, 2017, a copy of which is attached hereto as *Exhibit C*. The report reflects that the District had collected 98.24% of its 2016 taxes as of April 30, 2017.

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 accept the Tax Collector's Report, to authorize payment of check numbers 3230 through 3242 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report, and to approve and authorize the delinquent tax attorney to take necessary action in connection with the delinquent tax report.

4. **Bookkeeper's Report.** Ms. Bailey presented to and reviewed with the Board the Bookkeeper's Report for the period from April 12, 2017 to May 9, 2017, certain statements for payment, and the investment report for the period ending April 30, 2017, copies of which are attached hereto as *Exhibit D*.

Ms. Bailey presented check numbers 10276 through 10279 for utilities and pumpage fees for approval and payment upon receipt of invoices expected prior to the District's next meeting.

Ms. Bailey noted that the General Fund investment at ICON Bank (the "Bank") matures May 15, 2017, and noted the Bank is offering a 1% interest rate for a one-year renewal term. Discussion ensued.

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, and to authorize payment of check numbers 10248 through 10281 from the General Fund in the amounts, to the persons, for the purposes listed in such Report as requested herein, and to authorize the renewal of the General Fund investment at ICON Bank for a one-year term.

5. **Engineer's Report.** Director Spitzmiller stated the engineer had no updates to report.

6. **Operations Report.** Mr. Jenkins presented to and reviewed with the Board the Operations Report for April 2017, a copy of which is attached hereto as *Exhibit E*. He noted that 93.40% of the water pumped was billed for the period of March 19, 2017 to April 15, 2017.

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.

7. **Approve Consumer Confidence Report.** Mr. Jenkins presented and reviewed the Consumer Confidence Report, due for distribution by July 1, 2017 and attached to the Operator's Report. The Board discussed distribution and requested that, in future years, the Water Quality Report be posted on the District's web site with a reference link in the customers' bills.

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 distribution of the Consumer Confidence Report, including posting to the District's web site.

8. **Developer's Report.** The President recognized Mr. Stunja, who reported there are plans to develop land contiguous to Pinpoint's property and stated that he will disclose details when available.

Mr. Toone presented and reviewed estimated costs for maintenance of storm sewer drainage facilities, and Site Plan-Option A for the Kings River Development, copies of which are

attached as *Exhibit F*. He reported the anchor tenant will be Star Movie Grill and discussed concepts for additional tenants. Mr. Toone noted that two pumps may be required in the future at an estimated cost of \$50,000. The Board suggested an open ditch concept rather than a paved detention pond. Discussion ensued regarding maintenance, ownership of the detention facility, and proposed reimbursement mechanisms. No action was taken by the Board.

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

10. **Public Comments.** There were no comments.

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 June 13, 2017.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

