

MINUTES OF MEETING OF BOARD OF DIRECTORS
AUGUST 8, 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 Norton Rose Fulbright US LLP, 1301 McKinney, Suite 5100, Houston, Texas, at 11:30 a.m. on August 8, 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 were Mr. Dan Edwards of AECOM, engineer for the District; Mr. Joe Stunja of Pinehurst Trail Holdings, LLC, ("Pinehurst Trail Holdings"); Mr. Larry Jones and Mr. Dustin Hebert of Severn Trent Environmental 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. 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. **Minutes.** Proposed minutes of the regular meeting of July 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 regular meeting of July 11, 2017, as presented.

2. **Tax Collector's Report.** The Board reviewed the Tax Collector's Report and the Delinquent Collections Listing as of July 31, 2017, a copy of which is attached hereto as *Exhibit B*. The report reflects that the District had collected 99.27% of its 2016 taxes as of July 31, 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 3253 through 3260 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.

3. **Bookkeeper's Report.** Mr. Diaz presented to and reviewed with the Board the Bookkeeper's Report for the period from July 12, 2017 to August 8, 2017, certain statements for payment, and the investment report for the period ending July 31, 2017, copies of which are attached hereto as *Exhibit C*.

Mr. Diaz reported that rates at Central Bank have improved to approximately 1% and requested the Board's consideration to purchase a Certificate of Deposit. Discussion ensued and the Board instructed Mr. Diaz to coordinate with Director Herman to review best available rates from Central Bank and approval to purchase a Certificate of Deposit for the District.

Mr. Diaz presented check numbers 10372 through 10375 for utilities and pumpage fees approval and payment upon receipt of invoices expected prior to the District's next meeting.

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 accept the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 10344 through 10378 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

4. Review Investment Policy and accept related party disclosures. Ms. Cogburn requested that the Board defer this item pending revisions related to legislative action. It was the consensus of the Board to defer this item until next month.

5. Engineer's Report. The President recognized Mr. Edwards, who reported on a meeting that included himself, Mr. Rolan of AECOM, Director Berry, Mr. Jones of ST, Mr. Nelson of LBG-Guyton and Mr. Liesberger of Alsay to discuss the damages and repairs to Water Well No. 2 (the "Well"), a copy of the notes for which are attached as *Exhibit D*. He said that there are additional pinholes in the casing, but there was no evidence of corrosion on the pump equipment. Mr. Edwards presented and reviewed a proposal from Alsay, a copy of which is attached as *Exhibit D-1*. The proposal includes costs for: (a) completed maintenance; (b) incomplete maintenance for work previously approved; (c) proposed emergency repair work; and (d) chemically cleaning the Well. Mr. Edwards noted that Video Survey 2, under Emergency Repair Work Completed to Date, was not performed, and the cost for the video will be deducted from the quote for Proposed Emergency Repair Work Not Yet Approved, thus reducing the quote for such work to \$68,275. The cost to chemically clean the Well is \$23,100.00. 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 approve the Proposed Emergency Repair Work Not Yet Approved for a cost of \$68,275, and to approve chemically cleaning the Well for a cost of \$23,100, as outlined in *Exhibit D-1*.

6. Operations Report. The President recognized Mr. Jones, who introduced Mr. Hebert as the District's Field Services Technician. Mr. Jones then presented to and reviewed with the Board the Operations Report for July 2017, a copy of which is attached hereto as *Exhibit D*. He noted that 95.93% of the water pumped was billed for the period of June 21, 2017 to July 19, 2017.

He reviewed the Major Maintenance Summary for July 2017.

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

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 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.

7. Developer's Report. The President recognized Mr. Stunja, who reported that the

contract for construction of the movie theatre has been extended and there are no updates to report on other development.

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

9. **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 September 12, 2017.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

