

MINUTES OF MEETING OF BOARD OF DIRECTORS
JANUARY 9, 2018

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 January 9, 2018, 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 Directors Jordan and Walker, thus constituting a quorum. Also attending all or parts of the meeting were Mr. Tom Mraz of HARCO; Mr. Joe Stunja of Pinehurst Trail Holdings, LLC; Mr. Larry Jones and Mr. Allen Jenkins of INFRAMARK, operators for the District; Mr. Jorge Diaz of McLennan and Associates ("McLennan"), 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. **Public Comments.** There were no comments from the public.
2. **Minutes.** Proposed minutes of the regular meeting of December 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 December 12, 2017, as presented.
3. **Adopt Order Authorizing Exemption From Taxation.** The Board discussed exemptions from taxation. Ms. Luevano noted that the District currently authorizes an exemption in the amount of \$40,000 of appraised value to individuals who are disabled or 65 years of age and older. 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 authorize the current exemption of \$40,000 and to approve an Order Adopting Tax Exemption for Individuals who are Disabled or are 65 years of Age or Older, a copy of which is attached as *Exhibit B*.
4. **Adopt Resolution Authorizing Additional Penalty on Delinquent Taxes.** 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 adopt the Resolution Authorizing 20% Additional Penalty on Delinquent Taxes remaining delinquent on April 1, 2018 for personal property, and

remaining delinquent on July 1, 2018 for other property, a copy of which is attached hereto as *Exhibit C*.

5. **Tax Collector's Report.** President Spitzmiller recognized Ms. Luevano, who presented and reviewed the Tax Collector's Report and the Delinquent Collections Listing as of December 31, 2017, a copy of which is attached hereto as *Exhibit D*. The report reflects that the District had collected 68.72% of its 2017 taxes as of December 31, 2017.

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 Tax Collector's Report, and to authorize payment of check numbers 3280 through 3289 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

6. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented and reviewed the Bookkeeper's Report for the period from December 13, 2017 to January 9, 2018, certain statements for payment, and the investment report for the period ending December 31, 2017, copies of which are attached hereto as *Exhibit E*.

Mr. Diaz presented check numbers 10544 through 10549 for utilities and other costs for the District for approval and payment upon receipt of invoices expected prior to the District's next meeting.

Mr. Diaz noted that check no. 10529 for \$57.85 for courier charges will be voided and the expense will be paid by McLennan.

Upon motion by Director Smith, 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, to authorize payment of check numbers 10520 through 10528 and 10530 through 10549 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

7. **Report on Eminent Domain Annual Filing.** Ms. Presser stated that the District is required to file an annual report by February 1, 2017 with the Texas Comptroller of Public Accounts to retain its right to eminent domain,. She reported there are no changes from last year's report and that NRF has filed the report on the District's behalf.

8. **Engineer's Report.** No engineer's report was presented.

9. **Operations Report.** The President recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for December 2017, a copy of which is attached hereto as *Exhibit F*. He noted that 101.44% of the water pumped was billed for the period of November 18, 2017 to December 20, 2017.

He reviewed the Major Maintenance Summary for December 2017.

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

Mr. Jenkins presented and reviewed an evaluation of the inspection of the District's Bolted Ground Storage Tank No. 3, a copy of which is attached at *Exhibit F-1*. He reported that the interior and exterior coating systems are in advanced stages of deterioration and the protective coatings on the roof and floor have failed completely. Discussion ensued regarding repairs to the floor and roof, interior and exterior coating, and proposed remaining useful life of the tank. Mr. Jenkins noted the recommendation resulting from the evaluation is to repair the floor of the tank. He presented a proposal from Preventive Services, LP to repair the floor for an estimated cost of \$3,950.00. A copy of the proposal is attached as *Exhibit F-2*. 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 proposal for \$3,950 to repair the floor of GST No. 3.

Mr. Jenkins reported that lift pump no. 1 at Lift Station No. 2 went out due to a defective motor with aging impellers that reduced efficiency. It was noted the pump is dated 2004. Mr. Jenkins reviewed a proposal with the costs for repair and replacement with repair costing \$13,343.25 and replacement costing \$21,511.60 for the same brand, a copy of which is attached as *Exhibit F-3*. 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 replacement of lift pump no. 1 with the same brand for a cost of \$21,511.60.

10. **Renew District Insurance.** The President recognized Mr. Mraz, who presented to and reviewed the insurance renewal proposal from Harco Insurance Services, a copy of which is attached hereto as *Exhibit H*. Following a discussion, it was the consensus of the Board to defer action on this item until the next meeting.

11. **Indemnification of Directors.** It was the consensus of the Board to defer action on this item until the next meeting.


12. **Developer's Report.** Mr. Stunja updated the Board on previously proposed projects. He requested the Board's consideration to renew the capacity commitment, which is about to expire. The Board requested that Ms. Presser put this item on the agenda for the next meeting.

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

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 February 13, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

