

MINUTES OF MEETING OF BOARD OF DIRECTORS
AUGUST 14, 2018

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 14, 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
Steve Robb, Assistant Secretary

Persons Attending. All members of the Board were present, except Director Robb, thus constituting a quorum. Also attending were Mr. Joe Stunja of Pinehurst Trail Holdings, LLC; Mr. Dan Edwards of AECOM, engineer for the District; 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 Mr. Dimitri Millas and Ms. Brenda Presser, of Norton Rose Fulbright US LLP ("NRF"), attorneys for 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 July 10, 2018, 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 10, 2018, as presented.
3. **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 July 31, 2018, a copy of which is attached hereto as *Exhibit B*. The report reflects that the District had collected 99.59% of its 2017 taxes as of July 31, 2018.

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 Tax Collector's Report, and to authorize payment of check numbers 3345 through 3355 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

4. **Review Investment Policy and accept related party disclosures.** The Board reviewed a Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto (the "Resolution") and related disclosures under the Public Funds Investment Act, copies of which are attached hereto as *Exhibit C*. Mr. Millas stated that there are no legislative updates and that NRF is not suggesting any changes to the Investment Policy at this time. 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 Resolution, and to accept the related disclosure memorandum from the Bookkeeper.

5. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented and reviewed the Bookkeeper's Report for the period from July 11, 2018 to August 14, 2018, certain statements for payment, and the investment report for the period ending July 31, 2018, copies of which are attached hereto as *Exhibit D*.

Mr. Diaz presented check numbers 10754 through 10758 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 two Certificates of Deposit are maturing September 26, 2018 and September 28, 2018, respectively, and that BBVA Compass Bank has quoted the District a rate of 2.20% for a six-month term and Central Bank is quoting a rate of 2.22% for the same term. The Board also discussed the current rate of the District's money market account at BBVA Compass Bank. Mr. Diaz reported that Central Bank is offering a rate of 1.15% on money market accounts. Discussion ensued and it was the consensus of the Board to instruct Mr. Diaz to transfer the maturing Certificates of Deposits to Central Bank and close the Debt Service Fund money market account at BBVA Compass and open a like account at Central Bank.

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, to authorize payment of check numbers 10728 through 10758 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report.

6. **Annual Report on Arbitrage Rebate and Yield Restriction Compliance.** Mr. Millas reported that Arbitrage Compliance Specialists performs a test on the District's outstanding bonds. In some circumstances, a rebate payment is due to the IRS. The report stated that no rebates are due to the IRS.

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 Annual Report on Arbitrage Rebate and Yield Restrictions.

7. **ACS Engagement Letter for Arbitrage Compliance Services for Series 2014 Bonds.** 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 ACS Engagement Letter, as presented. A copy of the ACS Engagement Letter is attached as *Exhibit E*.

8. **Engineer's Report.** No written engineer's report was presented. President Spitzmiller recognized Mr. Edwards, who discussed on proposed maintenance of the ground storage tanks. He suggested that when Inframark performs scheduled inspections on the ground storage tanks, he will coordinate with them with forward-going maintenance repairs.

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 Engineer's Report.

9. **Operations Report.** The President recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for July 2018, a copy of which is attached hereto as

The foregoing minutes were passed and approved by the Board of Directors on September 11, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors



Exhibit F. He noted that 94.85% of the water pumped was billed for the period from June 22, 2018 to July 20, 2018

He reviewed the Major Maintenance Summary for July 2018.

Mr. Jenkins reported there are 90 accounts on the delinquent list of which 20 were disconnected for non-payment. He requested the Board's authorization to send two accounts for collection and write-off two accounts.

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: (1) approve the Operations Report (2) to authorize termination of service to delinquent accounts in accordance with the District's Rate Order; (3) authorize sending two delinquent accounts for collection; and (4) authorize Inframark to write-off two delinquent accounts as uncollectible.

10. **Developer's Report, including request(s) for capacity commitment.** Mr. Stunja stated that he has no updates to report.

11. **Status report on District website.** President Spitzmiller reported that the District's web manager has had two major surgeries and is recovering.

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

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