

MINUTES OF MEETING OF BOARD OF DIRECTORS
SEPTEMBER 11, 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 September 11, 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. Also attending were Mr. Josh Rambo of McCall Gibson Swedlund Barfoot PLLC, auditors for the District; Ms. Anthea Moran of Masterson Advisors LLC, financial advisors for the District; 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 September 11, 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 September 11, 2018, as presented.
3. **Adopt Order Designating Officer to Calculate and Publish Tax Rates.** President Spitzmiller recognized Ms. Moran, who presented to and reviewed with the Board a 2018 Tax Rate Analysis, a copy of which is attached hereto as *Exhibit B*. Ms. Moran reviewed the District's historical and current assessed values. Discussion ensued regarding recommended tax rate.

The Board reviewed an Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2018 (the "Order"), a copy of which is attached hereto as *Exhibit C*.

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 propose a reduced tax rate of \$0.34 per \$100 assessed valuation (\$0.27 for debt service and \$0.07 for maintenance and operation), and to adopt the Order authorizing Wheeler & Associates to publish the proposed rate.

Ms. Luevano confirmed that the Board will publish the tax rate notice in The Tribune and that the District will hold a hearing to levy its 2018 tax on October 9, 2017 at 11:30 a.m. at Rosemont Assisted Living Center.

4. **Tax Collector's Report.** The Board reviewed the Tax Collector's Report and the Delinquent Collections Listing as of August 31, 2018, a copy of which is attached hereto as *Exhibit D*. The report reflects that the District had collected 99.61% of its 2017 taxes as of August 31, 2018.

Upon motion by Director Smith, seconded by Director Jordan, 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 3356 through 3358 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

5. **Approve audit for fiscal year ending May 31, 2018.** Mr. Rambo presented to and reviewed with the Board an audit management letter from MGSB, and a draft audit for fiscal year ending May 31, 2018, copies of which are attached hereto as *Exhibit E*.

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 and authorize the filing of the District's audit for fiscal year ending May 31, 2018, and to authorize the President to execute the representation letter, subject to review and comments by the Board within two weeks from this meeting..

6. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented and reviewed the Bookkeeper's Report for the period from August 15, 2018 to September 11, 2018, certain statements for payment, and the investment report for the period ending August 31, 2018, copies of which are attached hereto as *Exhibit F*.

Mr. Diaz presented check numbers 10771 through 10776 for utilities and other costs for the District for approval and payment upon receipt of invoices expected prior to the District's next meeting.

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, to authorize payment of check numbers 10759 through 10777 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report.

7. **Engineer's Report.** President Spitzmiller recognized Mr. Edwards, who presented and reviewed the Engineer's Report, a copy of which is attached as *Exhibit G*. He reported the District received approval from the TCEQ to proceed with an emergency project to replace the 20,000 gallon hydro-pneumatic tank at Water Plant No. 1 and will be replaced "in kind," therefore, no additional approvals are required from TCEQ. He reviewed three bids and stated that AECOM recommends awarding the contract who presented the lowest bid and most expedient turnaround for a cost of \$106,441.00 and 12 weeks from design approval. Discussion ensued regarding installation of VFD to supplement booster pumps during replacement period. 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 awarding a construction contract to Gemini Contracting for replacement of the 20,000 gallon hydro-pneumatic tank at Water Plant No. 1 for a cost of \$106,441.00 and authorize President Spitzmiller to execute the construction contract upon NRF's review of the surety bonds.

8. **Operations Report.** The President recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for August 2018, a copy of which is attached hereto as *Exhibit H*. He noted that 96.42% of the water pumped was billed for the period from July 21, 2018 to August 20, 2018

He reviewed the Major Maintenance Summary for August 2018.

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

9. **Developer's Report, including request(s) for capacity commitment.** There were no updates to report.

10. **Status report on District website.** President Spitzmiller reported that the District's web manager has recovered from recent from recent major surgeries.

11. **Review proposals for engineering services.** Proposals for engineering services were previously distributed to the Board. The Board concurred to defer action until the next meeting.

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 October 9, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

