

MINUTES OF MEETING OF BOARD OF DIRECTORS
AUGUST 11, 2020

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*”) convened in regular session on August 11, 2020, at 10:00 a.m. via teleconference pursuant to Section 551.125, Texas Gov’t Code as modified by the temporary suspension of certain provisions thereof pursuant to guidelines issued by the Texas Attorney General and approved by the Governor for use during the COVID-19 statewide disaster. A roll call was taken of the persons present:

Kent F. Spitzmiller, President
Jerry Berry, Vice President
Herman Jordan, Vice President
Steve Robb, Secretary
Dan Czyz, Assistant Secretary

Persons Attending. All members of the Board were present. Also attending were Mr. Brian Gerould of IDS Engineering Group (“IDS”), 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; Mr. Dimitri Millas and Ms. Jane Maher, of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District; and Mr. Joe Stunja of Pinehurst Trail Holdings, LLC, developer for the District.

Pursuant to Section 551.054, Texas Gov’t Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District’s website within the time limits prescribed by law. The agenda packet was posted on the website as items became available.

Call to Order. President Spitzmiller called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. President Spitzmiller then set out guidelines for the conduct of the meeting. He asked each speaker to identify themselves before speaking. He then proceeded with the meeting business:

1. **Public Comments.** There were no comments.
2. **Minutes.** Proposed minutes of the regular meeting of July 14, 2020, previously distributed to the Board, were presented for approval. Upon motion by Director Berry, seconded by Director Robb, 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 14, 2020, as presented.
3. **Qualify and Appoint Director.** It was the consensus of the Board to appoint Dan Czyz as a Director. Mr. Millas stated that Mr. Czyz has completed the Statement of Officer, Oath of Officer and Affidavit of Director, thereby qualifying him to serve as a Director. Upon motion by

Director Berry, seconded by Director Robb, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Mr. Czyz as a Director.

4. **Election of Officers.** Mr. Millas stated that the Board can determine the slate of positions. The Board discussed the current positions. 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 appoint Director Robb as Secretary and Director Czyz as Assistant Secretary.

5. **Tax Collector's Report.** President Spitzmiller recognized Ms. Luevano, who presented to and reviewed with the Board the Tax Collector's Report and the Delinquent Collections Listing as of July 31, 2020. She stated that the District had collected 99.28% of its 2019 taxes as of July 31, 2020. She noted that the District's total expenses were \$20,716.81 and that the cash balance as of July 31, 2020 was \$49,150.95. She presented five checks totaling \$9,982.88 for the Board's approval.

Upon motion by Director Robb, 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 2516 through 2520 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

6. **Discuss status of tax values, publication of proposed tax rate, SB 2 district designation, and take any necessary action.** President Spitzmiller stated that the District's financial advisor would present the tax rate recommendation at the next meeting, and that this item is deferred.

7. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented and reviewed the Bookkeeper's Report for the period from July 15, 2020, to August 11, 2020, certain statements for payment, and the investment report for the period ending July 31, 2020. He stated that the current balance in the general fund is \$4,717,518.74 and that the balance in the debt service fund is \$1,674,990.72.

Mr. Diaz presented check numbers 11509 through 11560 for utilities and other costs for the District for approval and payment upon receipt of invoices expected prior to the District's next meeting. He noted that the general fund disbursements for the month were \$178,918.10 and the debt service disbursements for the month were \$10,010.48.

Mr. Diaz reviewed the schedule of investments. He stated that the total investments of all the District's funds are \$6,127,645.06. He noted that there is one Certificate of Deposit ("CD") maturing at Compass Bank prior to the next meeting. He stated that he will coordinate with Director Jordan regarding the investment.

Mr. Diaz reviewed the District's annual energy billings.

Mr. Diaz reviewed the Profit & Loss Budget Performance for the general fund. He also reviewed the operating budget.

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 accept the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 11509 through 11560, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

8. **Engineer's Report.** President Spitzmiller recognized Mr. Gerould, who presented and reviewed the Engineer's Report.

Mr. Gerould stated that Ground Storage Tank No. 3 at the Water Plant will need to be replaced due to the deteriorated condition of the floor and the leaks along the seams. He noted that another bolted tank would have the lowest initial cost but it would also have the shortest anticipated life cycle. He stated that a concrete tank would have the highest initial cost, but is anticipated to have the lowest life cycle costs. He noted that a welded steel tank falls between a bolted and concrete tank on the initial cost and on life cycle costs. He stated that depending on the tank chosen, IDS anticipates the initial cost to range from \$600,000 to \$1,100,000. He also stated that if the Board chooses the concrete tank, the District would end up losing a small amount of total storage volume to keep it in conformance with the City of Houston spacing requirements. He reported that the District would still have a nominal storage volume of approximately 400 gallons per connection. It was the consensus of the Board to authorize Mr. Gerould to get an estimate for a welded tank along with a construction schedule.

Mr. Gerould stated that IDS has not received any requests for capacity.

Mr. Gerould reported on the sanitary sewer manhole rehabilitation. He stated that T. Gary submitted their proposal to perform the rehabilitation of all four manholes for a total just under \$23,000. He also stated that he spoke with the contractor and if the Board approves the proposal, the contractor would be able to start in approximately two weeks. He reported that IDS discussed the strategy with Inframark and anticipates that the lift stations can be turned off during the repairs rather than trying to set up a bypass pumping system. He noted that there may be a need for a sludge hauler to pump down the lift stations during the repairs that would be coordinated through Inframark.

Upon motion by Director Robb, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Engineer's Report and the proposal from T. Gary for the sanitary sewer manhole rehabilitation.

9. **Investment Policy.** President Spitzmiller recognized Mr. Millas, who presented to the Board a Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto (the "Resolution"). Mr. Millas stated that the District reviews its investment policy and updates the List of Authorized Brokers attached to the policy on an annual basis. He stated that NRF recommends no changes at this time.

Upon motion by Director Robb, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Resolution.

10. **Operations Report.** President Spitzmiller recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for July 2020. He noted that 98.8% of the water pumped was billed for the period from June 23, 2020, to July 21, 2020.

Mr. Jenkins reviewed the Major Maintenance Summary for July 2020. He reported that Inframark repaired two water leaks in the District, replaced the batteries on the auxiliary motor at the off-site well and performed the six-month planned maintenance at the water plant and off-site well. He stated that for the sanitary sewer collection, Inframark purchased and applied the degreaser and repaired the sewer line at 6814 Amber Ash.

Mr. Jenkins reviewed the billing summary, water production and quality report, water accountability report and customer call log.

Mr. Jenkins stated that he has been coordinating with President Spitzmiller regarding the delinquent process during COVID-19. President Spitzmiller recommended that the Board review the delinquent process on a month by month basis. He requested authorization to turn two accounts over to Collections Unlimited of Texas in the amount of \$208.43, and to write off one account totaling \$4.20.

Upon motion by Director Berry, seconded by Director Robb, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to turn two accounts over to Collections Unlimited of Texas in the amount of \$208.43 and to write off one account totaling \$4.20.

11. **Developer's Report.** Mr. Stunja stated that there is no update regarding the CVS Pharmacy on West Lake Houston Parkway.

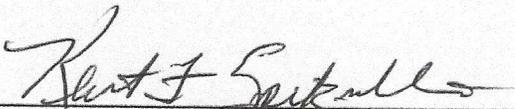
Mr. Gerould reported that a water meter easement will need to be drafted for a property on the Bradford tract. He stated that a ownership report would need to be conducted and that with the Board's approval, IDS will coordinate with the owner to set up a deposit amount to cover the related work on these items. He noted that any remaining amount would be refunded to the owner and any overages would be paid by the owner. It was the consensus of the Board to authorize IDS and NRF to proceed with preparing the water meter easement and to coordinate with the owner regarding the deposit.

12. **Status report on District website and such other matters as may properly come before it.** There was no report.

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 8, 2020.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

