

MINUTES OF MEETING OF BOARD OF DIRECTORS  
JUNE 9, 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 June 9 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  
Ken Smith, Secretary  
Steve Robb, 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 May 12, 2020, 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 May 12, 2020, as presented.
3. **Review Auditor Engagement Continuance letter and take any necessary action.** President Spitzmiller recognized Mr. Millas, who reviewed the Auditor Engagement Continuance letter from McCall Gibson Swedlund Barfoot PLLC (“McCall”). He stated that the

District signed an evergreen audit engagement letter with McCall on May 9, 2017 and that the Board must provide 30 days written notice if the Board chooses to terminate the engagement. He noted that if there are no reservations from the Board, McCall will be authorized to prepare the District's audit for the fiscal year ending May 31, 2020.

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 the Auditor Engagement Continuance letter, thereby authorizing McCall to prepare the District's audit for the fiscal year ending May 31, 2020.

4. **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 May 31, 2020. She stated that the District had collected 98.44% of its 2019 taxes as of May 31, 2020. She noted that the District's total expenses were \$17,311.27 and that the cash balance as of May 31, 2020 was \$69,128.08. She presented 10 checks totaling \$24,699.36 for the Board's approval.

Mr. Millas informed the Board that due to Senate Bill 2 the District will be required to post certain financial information to a website accessible to the public. He noted that the District can engage Wheeler, or the District's current website provider to post the information. President Spitzmiller requested that NRF send the Board the requirements for Senate Bill 2.

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 Tax Collector's Report, and to authorize payment of check numbers 2500 through 2509 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

5. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented and reviewed the Bookkeeper's Report for the period from May 13, 2020 to June 9, 2020, certain statements for payment, and the investment report for the period ending May 31, 2020. He stated that the current balance in the general fund is \$4,749,908.39 and that the balance in the debt service fund is \$1,654,523.21.

Mr. Diaz presented check numbers 11444 through 11473 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 also presented check no. 11474 to Harris County Municipal Utility District No. 109 in the amount of \$2,924.55. He noted that the general fund disbursements for the month were \$142,541.98 and the debt service disbursements for the month were \$15.73.

Mr. Diaz reviewed the schedule of investments. He stated that the total investments of all the District's funds are \$6,183,709.54. He noted that there are no Certificates of Deposit ("CD") maturing prior to the next meeting.

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 Jordan, 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, and to authorize payment of check numbers 11444 through

11473, and check no. 11474, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

6. **Discuss matters related to information posted on the District website and security issues.** President Spitzmiller reported that there was a breach of security on the District's tax account and that two fraudulent checks were drawn on the account. He noted that the old tax account was closed and that the money has been reimbursed. Discussion ensued regarding information that is posted on the website. Mr. Millas requested that consultants be mindful of sensitive information in their reports. Discussion ensued regarding posting of the minutes to the District's website. 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 have NRF expand the description in the minutes and to remove the references to the exhibits.

7. **Engineer's Report.** President Spitzmiller recognized Mr. Gerould, who presented the Engineer's Report.

Mr. Gerould stated that IDS received a requested for information from the Atascocita Volunteer Fire Department regarding the District's water system in connection with their fire rating. He stated that Inframark and IDS completed the survey and sent the requested information.

Mr. Gerould reported on the Ground Storage Tank No. 3 and Hydro Tank No. 2 coatings at the water plant. He stated that the hydropneumatic tank has been placed back in service. He presented the contractor's, Blastco Texas, Inc., first and final pay application in the amount of \$15,000.00 for the Board's approval.

Mr. Gerould reported on water and wastewater capacity requests and site plan reviews. He stated that the property owner on Upper Lake Drive has decided that he is not ready to request a capacity reservation at this time. He noted that there were not any other requests for capacity.

Mr. Gerould reported on the Sanitary Sewer Manhole Rehab. He stated that Inframark is performing a test to determine the length of time that the lift stations can be taken out of service to complete the manhole rehabilitation. He noted that an option that IDS is considering, in lieu of bypass pumping, is to have a sludge hauler vacuum from the lift stations and dump it back into the sanitary system downstream of the manholes being repaired.

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 and to approve the first and final pay application to Blastco Texas, Inc. in the amount of \$15,000.00.

8. **Operations Report.** President Spitzmiller recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for May 2020. He noted that 101% of the water pumped was billed for the period from April 22, 2020 to May 21, 2020.

Mr. Jenkins reviewed the Major Maintenance Summary for May 2020. He reported that Inframark repaired four water leaks in the District and performed well testing for both wells. He stated that for the sanitary sewer collection, Inframark purchased and applied the degreaser, replaced the 8-inch gate valve at Lift Station No. 3, replaced the 4-inch check valve at Lift Station No. 2 and performed a six month maintenance at Lift Station No. 3.

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

Mr. Jenkins requested the Board's authorization to write-off one account totaling \$15.49. 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.

Mr. Jenkins reviewed a proposal from Foster Fence for the fence replacement along Kings Oaks Lane in the amount of \$12,259.00. He noted that the proposal includes the demo, haul off, and security for 222 linear feet of existing cedar fence and gates, 190 linear feet of eight foot tall cedar fence with 3 foot schedule 40 posts, four 4 foot schedule 40 gate posts and the mobilization to and from jobsite, supervision, and management required for complete installation.

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, to write-off one account totaling \$15.49 and to approve the proposal from Foster Fence in the amount of \$12,259.00.

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

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

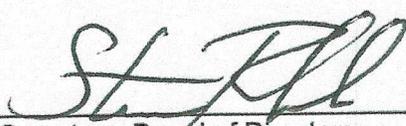
THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on July 14, 2020.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

