

MINUTES OF MEETING OF BOARD OF DIRECTORS
OCTOBER 13, 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 October 13, 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, except Director Jordan, thus constituting a quorum. 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 September 8, 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 September 8, 2020, as presented.
3. **Public Hearing on Tax Rate.** President Spitzmiller opened the public hearing on the proposed tax rate. There were no public comments. President Spitzmiller closed the hearing.

4. **Adopt Order Setting Tax Rate and Levying Tax.** President Spitzmiller recognized Mr. Millas, who presented to and reviewed with the Board an Order Setting Tax Rate and Levying Tax for 2020 (the "Order"). He stated that the published tax rate was \$0.34 per \$100 assessed valuation (\$0.19 for debt service and \$0.15 for maintenance and operation). Upon motion by Director Berry, seconded by Director Czyz, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order, thereby levying a tax rate of \$0.34 per \$100 assessed valuation for operation and maintenance purposes.

5. **Approve Amended District Information Form.** President Spitzmiller recognized Mr. Millas, who presented to and reviewed with the Board the Amended District Information Form. He stated that since the approved tax rate is the same as the previous year's rate, the Board does not need to approve the Amended District Information Form.

6. **Approve and authorize filing of Annual Report of Financial Information & Operating Data.** Mr. Millas presented to and reviewed with the Board the Annual Report of Financial Information and Operating Data. He stated that the report is filed with the District's audit electronically on the municipal market access website. Upon motion by Director Berry, seconded by Director Czyz, after full discussion and the question being put to the Board, the Board voted unanimously to approve filing of the Annual Report of Financial Information and Operating Data.

7. **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 September 30, 2020. She stated that the District had collected 99.56% of its 2019 taxes as of September 30, 2020. She noted that the District's total expenses were \$8,657.14 and that the cash balance as of September 30, 2020 was \$38,115.37. She presented nine checks totaling \$12,384.14 for the Board's approval.

Upon motion by Director Berry, seconded by Director Czyz, 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 2526 through 2534 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

8. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented to and reviewed with the Board the Bookkeeper's Report for the period from September 9, 2020 to October 13, 2020, certain statements for payment, and the investment report for the period ending September 30, 2020. He stated that the current balance in the general fund is \$4,688,250.00 and that the balance in the debt service fund is \$478,809.89.

Mr. Diaz presented check numbers 11598 through 11638 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 \$202,663.47 and the debt service disbursements for the month were \$11.05.

Mr. Diaz reviewed the schedule of investments. He stated that the total investments of all the District's funds are \$4,943,895.74. He noted that there is one Certificate of Deposit ("CD") maturing at Central 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 Czyz, 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 11598 through 11638, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

9. **Engineer's Report.** President Spitzmiller recognized Mr. Gerould, who presented to and reviewed with the Board the Engineer's Report.

Mr. Gerould reviewed a cost estimate for the Ground Storage Tank No. 3 and Hydro Tank No. 2 coatings at the Water Plant. He stated that the estimate includes a 550,000 gallon welded steel ground storage tank with an aluminum geodesic dome to replace bolted tank no. 3. He noted that the water plant improvements total \$1,064,000.00, the engineering and CPS costs are 12%, which total \$141,000.00, and contingencies are 10% which total \$106,500.00, for a total project estimate of \$1,311,500.00. He also reviewed a schedule showing the timeline for the engineering and construction. Discussion ensued. Upon motion by Director Berry, seconded by Director Czyz, after full discussion and the question being put to the Board, the Board voted unanimously to authorize IDS to prepare the plans and specifications for the tank replacement.

Mr. Gerould stated that there were no requests for capacity for the month. He reported that IDS sent a set of construction plans for the addition of a gymnasium at the Pine Forest Elementary School on W. Lake Houston Parkway. He noted that they gym is not intended to increase the attendance of the school, so the school is not seeking any additional water or sewer capacity. He stated that IDS will review the plans and issue the letter of no-objection on behalf of the District.

Mr. Gerould reported on the sanitary sewer manhole rehab and stated that the contractor, T. Gray, has started rehabilitating the manholes and has had the shotcrete in place on two of the manholes.

10. **Operations Report.** President Spitzmiller recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for September 2020. He noted that 102.4% of the water pumped was billed for the period from August 22, 2020, to September 22, 2020.

Mr. Jenkins reviewed the Major Maintenance Summary for September 2020. He reported that Inframark repaired two water leaks in the District. He stated that for the sanitary sewer collection, Inframark purchased and applied the degreaser and repaired a tap at a manhole. He requested the Board's authorization to replace a check valve at Lift Station No. 4, as the flapper broke off the valve. He noted this repair would cost approximately \$2,800.00.

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 stated that there were no accounts for consideration to write-off this month. He reported that there are two accounts for consideration to send to Collections Unlimited of Texas totaling \$122.58.

Upon motion by Director Berry, seconded by Director Czyz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report,

to authorize Inframark to replace the check valve at Lift Station No. 4, and to send two accounts to Collections Unlimited of Texas totaling \$122.58.

11. **Developer's Report.** President Spitzmiller recognized Mr. Stunja, who reported on developments within the District. He stated that there is currently due diligence for the site on Lake Houston Parkway frontage road, and that he will know more about the outcome toward the end of the year. He also stated that within the next couple of months, he will be asking the Board to allocate capacity to the site adjacent from the CVS Pharmacy on West Lake Houston Parkway. He discussed capacity reserves with the Board and suggested that the Board authorize IDS to begin researching the Board's options to meet the Texas Commission on Environmental Quality's ("TCEQ") requirements for additional capacity. It was the consensus of the Board to authorize IDS to prepare a study of options and cost estimates for the Board's approval.

12. **Engagement Letter for Arbitrage Compliance Services.** President Spitzmiller recognized Mr. Millas, who presented to and reviewed with the Board the Engagement Letter for Arbitrage Compliance Services for the \$2,125,000.00 Unlimited Tax Refunding Bonds, Series 2012. He noted that Arbitrage Compliance Services makes sure that the District is in compliance with the IRS compliance requirements related to bond issuances. Upon motion by Director Jerry, seconded by Director Czyz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engagement Letter for Arbitrage Compliance Services.

13. **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.

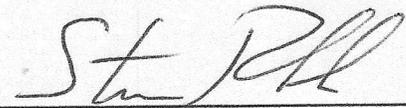
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The foregoing minutes were passed and approved by the Board of Directors on
November 10, 2020.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

