

MINUTES OF MEETING OF BOARD OF DIRECTORS
AUGUST 10, 2021

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

§
§
§

The Board of Directors (the “*Board*”) of Harris County Municipal Utility District No. 151 (the “*District*”) convened in regular session on August 10, 2021, 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
Steve Robb, Secretary
Dan Czyz, Assistant Secretary
Ken Ebeling, Assistant Secretary

Persons Attending. All members of the Board were present. Also attending were Mr. Brandon Guillory and Mr. Andrew Hobby of Kimley-Horn; Mr. Dare Lovett and Ms. Yewande Fapohunda of Trammel Crow Company; Mr. Brian Toldan of McCall Gibson Swedlund Barfoot PLLC (“McCall”), auditors for the District; Mr. Teague Harris and Ms. Kelly Wilkinson of IDS Engineering Group (“IDS”), engineer for the District; Mr. Allen Jenkins of Inframark, operators for the District (“Inframark”); 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 13, 2021, previously distributed to the Board, were presented for 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 approve the minutes of the regular meeting of July 13, 2021, as presented.

3. **Approve audit for fiscal year ended May 31, 2021.** President Spitzmiller recognized Mr. Toldan, who reviewed with the Board a draft audit management letter, a draft audit summary letter, a representation letter and a draft audit for fiscal year ending May 31, 2021.

Mr. Toldan reviewed the revenues, expenditures and changes in fund balances for the year ended May 31, 2021. He stated that the District's combined fund balances as of May 31, 2021, were \$6,733,676.00, an increase of \$126,433.00 from the prior year.

Mr. Toldan reviewed the five year comparative schedules of revenue and expenditures of the general fund and the debt service fund. He noted that from 2020 to 2021 the District added \$387,944 to the general fund and reduced the debt service fund by \$261,511.00.

Mr. Toldan stated that McCall will file the District's audit with the Texas Commission on Environmental Quality. He noted that there are no areas of concern and that if the Board has any questions.

President Spitzmiller noted that on page 33 for services provided by the District, "drainage" needs to be removed and the term "sold" needs to be removed under the surcharge for regional water authority fees.

Upon motion by Director Ebeling, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted unanimously to approve the audit for the fiscal year ending May 31, 2021, subject to the revisions discussed and any final revisions provided by the Board until September 1, 2021, to authorize the filing of the District's audit for fiscal year ending May 31, 2021, and to authorize the execution of the representation letter.

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 July 31, 2021. She stated that the District had collected 99.63% of its 2020 taxes as of July 31, 2021. She noted that the District's total expenses were \$20,755.96 and that the cash balance as of July 31, 2021 was \$63,893.08. She presented nine checks totaling \$6,412.26 for the Board's approval.

It was the consensus of the Board to accept the Tax Collector's Report, and to authorize payment of check numbers 2609 through 2617 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

5. **Discuss and consider authorization to moving District accounts, and approval of all required documentation and actions related thereto, and take any necessary actions.** President Spitzmiller recognized Ms. Luevano, who stated that Comerica Bank is no longer interested in securing public funds. She recommended that the Board move the accounts currently with Comerica Bank to Allegiance Bank.

Mr. Millas reviewed with the Board the Depository Pledge Agreement ("DPA") with Allegiance Bank. Upon motion by Director Berry, seconded by Director Ebeling, after full discussion and the question being put to the Board, the Board voted unanimously to move the accounts with Comerica Bank to Allegiance Bank and to approve the DPA.

6. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented to and reviewed with the Board the Bookkeeper's Report for the period from July 14, 2021 to August 10, 2021, certain statements for payment, and the investment report for the period ending

July 31, 2021. He stated that the current balance in the general fund is \$5,254,393.56 and that the balance in the debt service fund is \$1,405,224.38.

Mr. Diaz presented check numbers 11961 through 11994 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 \$111,171.17 and that there were no debt service disbursements for the month.

Mr. Diaz reviewed the schedule of investments. He stated that the total investments of all the District's funds are \$6,355,091.77.

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 Ebeling, 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 11961 through 11994, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

7. Review Investment Policy & accept related party disclosures. 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.

8. Engineer's Report. President Spitzmiller recognized Ms. Wilkinson, who presented to and reviewed with the Board the Engineer's Report.

Ms. Wilkinson reported on the Ground Storage Tank No. 3 ("GST No. 3") replacement at the Water Plant. She stated that IDS awarded the contract to CFG Industries in the amount of \$1,101,250.00. She noted that IDS has received City of Houston Plan Approvals and is scheduling a pre-construction meeting.

Ms. Wilkinson stated that for the Sanitary Sewer Manhole Rehabilitation, the one-year inspection of the three rehabilitated manholes will be performed in November 2021.

Ms. Wilkinson stated that IDS is working to complete the Emergency Response Plan and certify completion to the Environmental Protection Agency ("EPA") by the deadline of December 31, 2021.

Ms. Wilkinson reported on water and wastewater capacity requests and reported that Kingwood Residences HTX LLC is requesting a transfer of capacity from Pinehurst Trail Holdings LLC, in the amount of 139 equivalent single-family connections. She requested the Board's approval to coordinate with NRF in order to prepare the capacity transfer and subsequently revise Pinehurst Trails Holdings LLC's existing capacity commitment.

Ms. Wilkinson reported on the Texas Department of Transportation ("TxDOT") FM 1960

Road Widening project. She stated Harris County Municipal Utility District No. 132's ("No. 132") will be seeking reimbursement later this year for the jointly owned sanitary sewer force main relocation that is necessary to facilitate the widening of FM 1960. She noted that the District's pro rata share is \$28,855.00.

Upon motion by Director Ebeling, seconded by Director Robb, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report and to authorize IDS to coordinate with NRF to prepare the capacity transfer for Kingwood Residences HTX LLC and to subsequently revise the Pinehurst Trails Holdings LLC's existing capacity commitment.

9. **Operations Report.** President Spitzmiller recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for July 2021.

Mr. Jenkins stated that 99.8% of the water pumped was billed for the period from June 2321, 2021 to July 20, 2021.

Mr. Jenkins reviewed the Major Maintenance Summary for July 2021. He reported that Inframark repaired one water leak in the District and that Inframark performed two level and sods in the District and installed the Snubber valve on the booster pump for PSI reading. He stated that Inframark purchased the degreaser for the sewer lines.

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

Mr. Jenkins stated that there is one account for the Board's consideration to write off in the amount of \$24.82 and that there two accounts totaling \$328.71 to be turned over to Collections Unlimited of Texas. Mr. Jenkins stated that he is coordinating with President Spitzmiller regarding the termination process.

Upon motion by Director Ebeling, 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 write off one account totaling \$24.82 and to turn two accounts totaling \$328.71 to Collections Unlimited of Texas.

10. **Developer's Report.** President Spitzmiller recognized Mr. Stunja, who requested that the Board consider amending the Pinehurst Trails Holdings LLC's capacity commitment to extend for another year. It was the consensus of the Board to amend the capacity commitment to extend for another year.

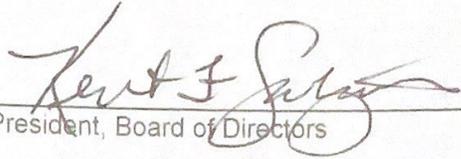
11. **Status report on District website and such other matters as may properly come before it.** The Board discussed the September meeting. It was the consensus of the Board to meet at the Atascocita Waste Water Treatment Plant.

There were no further reports.

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

* * *

The foregoing minutes were passed and approved by the Board of Directors on
SEPT 17, 2021.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)