

MINUTES OF MEETING OF BOARD OF DIRECTORS

SEPTEMBER 17, 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") met in regular session, open to the public, at Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, TX 77346, at 11:30 a.m. on September 17, 2021, whereupon the roll was called of the members of the Board, to-wit:

Kent F. Spitzmiller, President  
Jerry Berry, Vice President  
Steve Robb, Secretary  
Dan Cxyz, Assistant Secretary  
Ken Ebeling, Assistant Secretary

**Persons Attending.** All members of the Board were present, except Director Cxyz and Director Ebeling, thus consulting in a quorum. Also attending were Ms. Kelly Wilkinson of IDS Engineering Group ("IDS"), engineer for the District; Ms. Trina Kilgore 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; Ms. Leslie Bacon and Ms. Kaity Malek, of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; and Mr. Ben Terry of Masterson Advisors LLC, financial advisor for the District.

**Call to Order.** The meeting was called to order and, in accordance with notice posted pursuant to law. The following business was transacted:

1. **Public Comments.** There were no comments.
2. **Minutes.** Proposed minutes of the regular meeting of August 10, 2021, 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 August 10, 2021, as presented.
3. **Consider 2021 tax rate and Adopt Order Designating Officer to Calculate and Publish Tax Rate.** President Spitzmiller recognized Mr. Terry, who presented to and reviewed with the Board a 2021 Tax Rate Analysis. Mr. Terry reviewed the District's historical and current assessed values. He stated that the projected assessed valuation for 2021 is \$579,374,239. Mr. Terry discussed Senate Bill No. 2 and its effect on the District's taxes pertaining to criteria for rollback elections. He recommended that the Board consider a fourteen cent reduction on the debt service rate from \$0.19 to \$0.05. He stated that the Board could consider a total tax rate of \$0.32. Extensive discussion ensued.

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 2021 (the "Order"). Ms. Bacon stated that the Order designates the District as a developing water district and designates Wheeler as the District's representative to calculate and publish the tax rate.

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 proposed tax rate of \$0.32, of which \$0.05 would be for debt service and \$0.27 would be for maintenance and operations, and to approve the Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connections with the Levy of a Tax for 2021, authorizing the tax assessor to publish the proposed tax rate.

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 August 31, 2021. She stated that the District had collected 99.63% of its 2020 taxes as of August 31, 2021. She noted that the District's total expenses were \$6,491.14 and that the cash balance as of August 31, 2021 was \$58,663.71. She presented four checks totaling \$6,473.70 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 2618 through 2621 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 to and reviewed with the Board the Bookkeeper's Report for the period from August 11, 2021 to September 14, 2021, certain statements for payment, and the investment report for the period ending August 31, 2021. He stated that the current balance in the general fund is \$5,188,29.18 and that the balance in the debt service fund is \$242,766.29.

Mr. Diaz presented check numbers 11960 through 12037 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 \$196,701.71 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 \$5,193,438.72.

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 Robb, 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 11960 through 12037, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

6. **Engineer's Report.** President Spitzmiller recognized Ms. Wilkinson, who presented to and reviewed with the Board the Engineer's Report for August 2021.

Ms. Wilkinson reported on the Ground Storage Tank No. 3 ("GST No. 3") replacement at the Water Plant. She stated that a preconstruction meeting was held on August 17, 2021 and Notice to Proceed was issued on August 30, 2021. Over the last few weeks IDS have been reviewing the Contractor's submittals and received notification that the Contractor plans to begin demolition of the existing tank on Monday September 20<sup>th</sup>. As discussed last month, the Alternate Bid Items to remove and replace the existing concrete ring wall foundation came in at \$22,500.00, which is a very good price. IDS requested a proposal for a structural engineer to evaluate the condition of the existing ring wall, and the cost for this inspection is \$19,160.00. IDS recommend

the use of Alternate Bid Items 17 and 18, because we believe there is much greater value in replacing the existing ring wall, rather than spending the money to inspect the existing foundation. After the Contractor demolishes the existing ring wall, IDS will need to obtain soil samples and have the soil conditions evaluated by our geotechnical engineer. She reviewed a proposal for a geotechnical investigation and report for a fee of \$8,900.00. The scope of the proposal includes collection of the required soil borings and preparation of a report which details their foundation recommendations for the site. While this cost is in addition to the foundation replacement, this geotechnical report will provide valuable information which can be used for future projects. Unfortunately, IDS did not receive any geotechnical information from your previous Engineer, so it will be very beneficial to have a Geotechnical Report in our files. Lastly, she reviewed a Materials Testing Proposal in the amount of \$7,730.00. She noted the proposal is for field and laboratory testing of the bank sand within the tank's foundation, compaction testing, as well as concrete compressive strength testing for the new ring wall. Extensive discussion ensued.

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 stating that the capacity commitment for High Street Residential has been issued as approved by the Board last month and there are no further updates at this time. Discussion ensued regarding District capacity.

Ms. Wilkinson reported on the Texas Department of Transportation ("TxDOT") FM 1960 Road Widening project. She stated Harris County Municipal Utility District No. 132 ("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 Robb, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Engineer's Report; (2) authorize the use of Alternate Bid Items 17 and 18 for the removal and replacement of the existing concrete ring wall foundation, totaling \$22,500; (3) approve the Geotechnical Proposal in the amount of \$8,900; and (4) approve the Materials Testing Proposal in the amount of \$7,730.

7. **Operations Report.** President Spitzmiller recognized Ms. Kilgore, who presented to and reviewed with the Board the Operations Report for August 2021.

Ms. Kilgore stated that 100% of the water pumped was billed for the period from July 21, 2021 to August , 2021.

Ms. Kilgore reviewed the Major Maintenance Summary for August 2021. She reported that Inframark Purchased degreaser for the sanitary sewer mains in the District on July 22 and August 12, 2021. She stated that Inframark exposed, removed and replaced the long service line that was leaking at 19727 Powers court on July 16, 2021. Backfilled and cleaned the area. She stated that Inframark exposed the service line at 19407 Water Point Trail and found it to be tapped under the driveway. Removed and replaced the leaking service line, backfilled and cleaned the area on July 21, 2021. While exposing the service line leak at 19407 Water Point Trail, exposed the service line

at 19402 Water Point Trail and it blew out of the hays nut, isolated the water line, replaced the u branch, gaskets and hays nut. Turned the water on, flushed the line, backfilled, cleaned the streets and area on July 21, 2021. She stated that Inframark purchased materials and installed new bleach line to repair leaks at Water Plant 1 on June 2, 2021 and also purchased and replaced bleach injection check valve at the Off-site well on July 14, 2021.

Ms. Kilgore reviewed the billing summary, water production and quality report, water accountability report and customer call log.

The Board discussed a vacant house within the District that needs to have the water locked out. Discussion ensued.

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 Operations Report, and approve the Harris County Operating Permit for WP #1&2 in the amount of \$385.

8. **Developer's Report.** There was nothing to report.

9. **Status report on District website and such other matters as may properly come before it.** There was nothing to report.

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  
October 12, 2021.

  
\_\_\_\_\_  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Asst. Secretary, Board of Directors

(DISTRICT SEAL)

