

MINUTES OF MEETING OF BOARD OF DIRECTORS
FEBRUARY 8, 2022

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") met in regular session, open to the public, at Atascocita Waste Water Treatment Plant, 5003 Atascocita Road, Humble, TX 77346, at 10:00 a.m. on February 8, 2022, 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 Czyz, Assistant Secretary
Ken Ebeling, Assistant Secretary

Persons Attending. All members of the Board were present. Also attending were Ms. Kelly Wilkinson and Mr. Teague Harris of IDS Engineering Group ("IDS"), engineers 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, Ms. Leslie Bacon 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.

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 January 11, 2022, previously distributed to the Board, were presented for approval. 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 approve the minutes of the regular meeting of January 11, 2022, as presented.
3. **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 January 31, 2022. She stated that the District had collected 86.83% of its 2021 taxes as of January 31, 2022. She noted that the District's total expenses were \$279,619.08 and that the cash balance as of January 31, 2022 was \$1,318,619.51. She presented seven checks and two wire transfers totaling \$1,245,106.81 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 5017 through 5023 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

4. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented to and reviewed with the Board the Bookkeeper's Report for the period from January 12, 2022 to February 8, 2022, certain statements for payment, and the investment report for the period ending

January 31, 2022. He stated that the current balance in the general fund is \$5,249,289.76 and that the balance in the debt service fund is \$242,582.86.

Mr. Diaz presented check numbers 1111 through 1146 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 \$548,958.77 and that debt service disbursements for the month were \$40.00.

Mr. Diaz reviewed the schedule of investments. He stated that the total investments of all the District's funds are \$4,935,753.38. He discussed the Certificates of Deposit ("CDs") with the Board.

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 Robb, seconded by Director Berry, 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 1111 through 1146, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

5. **Operations Report.** President Spitzmiller recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for January 2022.

Mr. Jenkins stated that 103.3% of the water pumped was billed for the period from December 19, 2021 to January 19, 2022.

Mr. Jenkins reviewed the Major Maintenance Summary for January 2021. He reported that Inframark performed one level & sod, performed the six-month preventative maintenance at the offsite well, and performed the six-month preventative maintenance at the water plant.

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

Mr. Jenkins stated that he is coordinating with President Spitzmiller regarding the termination process. He requested authorization to write-off one account totaling \$38.72.

President Spitzmiller discussed fire hydrant testing and repairs. He stated that the District has 232 fire hydrants and that it costs approximately \$45 per hydrant for testing and repairs. Discussion ensued. Upon motion by Director Robb, seconded by Director Czyz, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Inframark to begin the fire hydrant testing and repairs.

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 Operations Report and to write off one account totaling \$38.72.

6. **Developer's Report.** There was no report.

7. **Renew District Insurance (expires 2-20-22).** The Board reviewed an insurance proposal from the District's current provider, Harco Insurance Services, for the period of February 20, 2022 to February 20, 2023. Mr. Millas noted that the annual cost is \$23,166.00. 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 insurance proposal from Harco Insurance Services for the period of February 20, 2022 to February 20, 2023.

8. **Resolution Authorizing Indemnification of Directors.** Mr. Millas noted that to the extent that Directors are acting in good faith in carrying out their duties, the District may indemnify Directors from losses or costs in connection with lawsuits that are not otherwise covered by the Directors and Officers liability insurance. Upon motion by Director Czyz, seconded by Director Robb, after full discussion and the question being put to the Board, the Board voted unanimously to approve the District's indemnification of Directors from losses or costs arising from Directors carrying out their lawful duty, to the extent that such losses or costs are not otherwise covered by insurance.

9. **Approve Engagement Letter for Arbitrage Compliance Services.** Mr. Millas reviewed the Engagement Letter from Arbitrage Compliance Services for the District's Unlimited Tax Refunding Bonds, Series 2014. 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 Engagement Letter from Arbitrage Compliance Services.

10. **Review District Rate Order and take any necessary action.** The Board reviewed and discussed the District's Rate Order. Mr. Jenkins stated that the Rate Order does not have multifamily rates for apartments. He also stated that under the customer services inspection section it states that a customer can hire a third party for inspections and that it should be revised to Inframark. Discussion ensued. Mr. Jenkins stated that he will coordinate with NRF to establish the rates for the multifamily rates for apartments. 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 Inframark and NRF to revise the Rate Order as discussed.

11. **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 received the final Geotechnical Engineering Report from TEG, which includes foundation recommendations for the new ground storage tank. She noted that the contractor is now finalizing their major submittals in conjunction with the information provided in the Geotechnical Report. She stated that there is no pay estimate this month.

Ms. Wilkinson reported on the water and wastewater capacity requests. She stated that on February 1, 2022, IDS received a letter from the developer and engineer of High Street Residential, requesting the District accept a Storm Water Quality Feature that will serve a total of 32.037 acres, which consist of the proposed 15.602 acres multi-family tract, a 4.086 acre detention pond, a 0.795 acre Kings River Commercial Drive right-of-way, and an 11.554 acre undeveloped tract. She reported that Harris County requires Storm Water Quality features so that trash may be separated from the storm water prior to being discharged into Harris County's storm water system. She stated that Harris County will not approve High Street Residential's plans with the Storm Water Quality feature shown as privately owned and maintained and that Harris County requires that the Storm Water Quality features are owned and maintained by public entities. She reported that the Storm Water Quality feature will require monthly cleanings, inspections and an annual permit renewal. She stated that the developer of High Street Residential has agreed to pay for any

costs incurred by the District for the maintenance of the Storm Water Quality feature and that these costs may be included in the District's Rate Order. She reviewed the proposed storm water easement. Discussion ensued. It was the consensus of the Board to include the costs incurred by the District for the maintenance of the Storm Water Quality feature in the Rate Order.

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 authorize IDS to move forward with the Storm Water Quality feature. President Spitzmiller requested that an agenda item be included on the next agenda for formal approval along with approval of the Rate Order. Ms. Wilkinson stated that she would coordinate with NRF regarding the storm water easement.

Ms. Wilkinson discussed the Tachus Fiberoptic Internet installation and stated that IDS reviewed the plans and identified the areas that the proposed fiberoptic cables will be crossing District water or sanitary lines. She stated that IDS will send Inframark the locations so that they are aware of potential conflict locations during construction.

Ms. Wilkinson reported on the Texas Department of Transportation ("TxDOT") FM 1960 Road Widening project. She stated that the sanitary sewer relocation has been completed and Harris County Municipal Utility District No. 132 ("No. 132") engineer anticipates a request for the District's pro rata share sometime in the second quarter of 2022.

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 Engineer's Report.

12. **Status report on District website.** There were no further reports.

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 March 8, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

