

MINUTES OF MEETING OF BOARD OF DIRECTORS
APRIL 12, 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 April 12, 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 Mr. Bear Oakley of Acclaim Energy; Ms. Kelly Wilkinson 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 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 public comments.
2. **Minutes.** Proposed minutes of the regular meeting of March 8, 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 March 8, 2022, as revised.
3. **Update from Acclaim on Public Utility Commission of Texas decisions regarding grid reliability, introduction of Acclaim reliability Advantage and authorize appropriate action.** President Spitzmiller recognized Mr. Oakley, who presented to and reviewed with the Board information regarding the Acclaim Reliability Advantage program ("ARA"). He stated that the February freeze of 2021 highlighted vulnerabilities in the grid and that the Public Utility Commission of Texas ("PUCT") announced that fast response generation will be installed grid wide and load response programs will be adapted to ensure reliability. He noted that as a result, electricity and delivery costs are expected to increase materially. He stated that Acclaim is requesting a proposed 12-month service agreement with a flat service fee of \$2,500 for Acclaim to educate the PUCT on MUD operating characteristics and ensure that MUDs only pay their fair share of future policy changes. He discussed other advantage of the ARA. Discussion ensued. It was the consensus of the Board to table further discussion.
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 March 31, 2022. She stated that the District had collected 97.60% of its

2021 taxes as of March 31, 2022. She noted that the District's total expenses were \$134,444.28 and that the cash balance as of March 31, 2022 was \$146,226.76. She presented eight checks and two wire transfers totaling \$96,797.43 for the Board's approval.

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 accept the Tax Collector's Report, and to authorize payment of check numbers 5038 through 5045 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 March 9, 2022 to April 12, 2022, certain statements for payment, and the investment report for the period ending March 31, 2022. He stated that the current balance in the general fund is \$6,196,499.67 and that the balance in the debt service fund is \$483,985.97.

Mr. Diaz presented check numbers 1183 through 1223 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 \$220,365.08 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 \$6,385,538.94. He discussed the Certificates of Deposit ("CDs") with the Board. Director Czyz proposed buying multiple two year CDs with the US Treasury. Discussion ensued. He noted that the amounts of the CDs can be further discussed. It was the consensus of the Board to include an agenda item for 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 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 1183 through 1223, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

6. **Adopt budget for fiscal year ending May 31, 2023.** Mr. Diaz reviewed the proposed budget for the fiscal year ending May 31, 2023, a copy of which is included in the Bookkeeper's Report. He stated that the budget would be approved at the next meeting.

7. **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 the construction on the new ring wall foundation has begun. She reported that the Contractor has imported, placed, and compacted a select fill soil layer and has poured the four-inch seal slab. She stated that the seal slab will provide a level and sturdy bearing surface for the Contractor to place their forms and set the reinforcing steel for the concrete foundation. She reported that the Contractor has submitted Pay Estimate No. 2, in the amount of \$44,550.00, which includes the demolition and removal of the old ring wall, partial removal of the old sand cushion and partial design of the tank. She stated that last month IDS reported that the

Aluminum Dome Roof Manufacturer that CFG had selected, Ultraflote, had gone out of business. She reported that CFG requested a proposal and has now signed a new contract with a new manufacturer CST, who is headquartered out of Conroe. She noted that CFG has been experiencing material delays with several vendors and IDS is working through supply chain issues with the Contractor to keep the project moving forward. She stated that the Contractor is working on a schedule update to reflect an accurate completion date bas on vendors' timelines, which IDS plans to share with the Board at the next meeting.

Ms. Wilkinson reported on the capacity requests and site plan reviews. She stated that the developer for High Street Residential has indicated that they are getting ready to resubmit to Harris County for final plan approval. She noted that the property owner has signed the Storm Water Easement Agreement, and that the easement is presented for the Board's signature.

Ms. Wilkinson reported on the Tachus Fiberoptic Internet Installation in the Atascocita Area. She stated that Tachus has begun installing fiberoptic internet throughout the District and that IDS has not received any updates from Tachus.

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 Robb, 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 and Pay Estimate No. 2 in the amount of \$44,550.00 for the GST No. 3 replacement at the Water Plant.

8. **Review District Rate Order and take any necessary action.** The Board reviewed the District's Rate Order. President Spitzmiller stated that Inframark charges \$15 per notice for sending delinquent notices to delinquent accounts. He suggested that the Board consider adding a delinquent notice fee of \$25 per notice for delinquent accounts. Discussion ensued.

The Board discussed the disconnect and reconnect fees. It was the consensus of the Board to not change the disconnect and reconnect fees 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 Rate Order, as amended.

9. **Discussion related to ownership and maintenance of Storm Water Quality feature and take any necessary action.** There was no report.

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

Mr. Jenkins stated that 96.2% of the water pumped was billed for the period from February 17, 2022 to March 16, 2022.

Mr. Jenkins reviewed the Major Maintenance Summary for March 2022. He reported that Inframark repaired two water leaks in the District, replaced the soft start on off-site well, repaired the off-site well motor, performed the annual load test on the Generator at Lift Station No. 1, and

cleaned out the manhole at 19702 Texas laurel trail.

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.

Mr. Jenkins reviewed the Annual Report on Identity Theft Prevention and Protection and stated that Inframark has no changes to the program at this time.

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 Operations Report and the Annual Report on Identity Theft Prevention and Protection.

11. **Developer's Report.** Mr. Stunja stated that there was no 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 May 10, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

