

MINUTES OF MEETING OF BOARD OF DIRECTORS
AUGUST 9, 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 August 9, 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. Jack Warren and Mr. Tom Stoctz, residents of the District; Ms. Kelly Wilkinson of IDS Engineering Group ("IDS"), engineers for the District; Mr. Allen Jenkins of Inframark, operators for the District ("Inframark"); Ms. Dianne Bailey of McLennan and Associates ("McLennan"), bookkeeper for the District; Ms. Yvonne Luevano of Wheeler & Associates ("Wheeler"), tax assessor and collector for the District; and 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.** President Spitzmiller recognized Mr. Warren, who discussed a recent water outage in the District. Mr. Jenkins stated that the cause of the outage was due to a tripped breaker in the control room. Discussion ensued regarding systems in place to counter outages.

President Spitzmiller recognized Mr. Stoctz, who asked if the District has a plan to transition to surface water from well water. Ms. Wilkinson stated that transitioning to surface water is in the District's distant future. Discussion ensued regarding the issues of subsidence.

2. **Minutes.** Proposed minutes of the regular meeting of July 12, 2022, 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 July 12, 2022, as presented.

3. **Tax Collector's Report.** President Spitzmiller recognized Ms. Luevano, who reviewed with the Board the Tax Collector's Report and the Delinquent Collections Listing as of July 31, 2022. She stated that the District had collected 99.52% of its 2021 taxes as of July 31, 2022. She noted that the District's total expenses were \$11,277.30 and that the cash balance as of July 31, 2022 was \$46,233.40. She presented four checks totaling \$3,881.32 for the Board's 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 accept the Tax Collector's Report, and to authorize payment of check numbers 5066 through 5069 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 July 13, 2022 to August 9, 2022, certain statements for payment, and the investment report for the period ending July 31, 2022. He stated that the current balance in the general fund is \$6,028,049.32 and that the balance in the debt service fund is \$484,780.71.

Mr. Diaz presented check numbers 1324 through 1365 for utilities and other costs for the District for approval and payment upon receipt of invoices expected prior to the District's next meeting. She noted that the general fund disbursements for the month were \$258,752.73 and that debt service disbursements for the month were \$40.00. He reported that the last debt service payment is scheduled for September 1, 2022, and that McLennan will transfer funds from the general fund to cover the payment, if needed.

Mr. Diaz reviewed the schedule of investments. He stated that the total investments of all the District's funds are \$6,169,177.95. He stated that he will provide the new interest rates at the beginning of the month for the six month Certificates of Deposits ("CDs").

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 1324 through 1365, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

5. **Consider contract amendment for bookkeeping services.** President Spitzmiller recognized Mr. Diaz, who reviewed with the Board the Agreement for Services for Bookkeeper. He stated that the hourly rate is increasing and that the monthly fee is increasing by \$350. 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 approve the Agreement for Services for Bookkeeper.

6. **Review Investment Policy and 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 to the policy at this time.

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 Resolution.

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 that the contractor has installed the fiberboard subbase and mastic sealant and has begun the installation of the tank's steel floor plates. She reported that the contractor has notified IDS that they will be receiving periodic shipments of steel for the construction of the tank. She noted that IDS received Pay Application No. 3 in the amount of \$11,700.00, for the completion of the tank design as well as the ring wall construction. She reported that while at the Water Plant, IDS noticed that the generator enclosure coatings have begun to fail. She stated that IDS requested that CFG provide a price to blast and recoat the enclosure, while on site completing the new GST coatings, however CFG did not provide a price by the meeting. She also stated that IDS requested a price from Pardalis Industrial, which can complete the blast and recoat of the generator enclosure for \$9,000.00. It was the consensus of the Board to wait until the next meeting when CFG has provided a price.

Ms. Wilkinson reported on the capacity requests and site plan reviews. She stated that IDS issued a Letter of No Objection on May 27, 2022, for the Site Civil Plans for the proposed High Street Residential development. She noted that IDS will keep the Board informed on updates regarding the development and 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 will request for the District's pro rata share once the funding from TxDOT has been received.

Ms. Wilkinson reported on the Sanitary Sewer Cleaning, Inspection and Rehabilitation Program. She stated that IDS put together a sanitary sewer inspection phasing map, Phase 1 being the oldest portion of the District and Phase 4 being the newest. She noted that given the age of the District's sanitary lines, IDS recommends that the District begin a phased approach to cleaning and televising the whole District. She stated that during each phase, IDS will review the video footage provided by the contractor and assess the condition of each pipe, and at the end of each phase provide a summary of any rehabilitation recommendations.

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 Engineer's Report, approve Pay Application No. 13 in the amount of \$11,700.00, and authorize IDS to prepare an engineering proposal for the first phase for the Sanitary Sewer Cleaning, Inspection and Rehabilitation Program.

8. **Operations Report, operator fuel surcharge letter agreement, authorize repairs and action on delinquent accounts.** President Spitzmiller recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for July 2022.

Mr. Jenkins stated that 104.7% of the water pumped was billed for the period from June 16, 2022 to July 18, 2022.

Mr. Jenkins reviewed the Major Maintenance Summary for July 2022. He reported that Inframark repaired two water leaks in the District, performed the six-month preventative maintenance at the Water Plant, repaired the air compressor at the Water Plant, painted the Phosphate building at the Water Plant, performed the six-month preventative maintenance at the offsite well and monitored the plant during a power outage.

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.

President Spitzmiller stated that chemical prices have increased, and that the Board can consider reviewing the District's Rate Order in the future.

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.

9. **Developer's Report.** President Spitzmiller recognized Mr. Stunja, who stated that he had no report.

10. **Status report on District website.** There was no report.

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

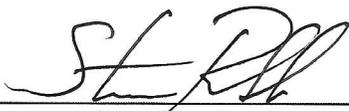
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The foregoing minutes were passed and approved by the Board of Directors on September 13, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

