

MINUTES OF MEETING OF BOARD OF DIRECTORS
JANUARY 11, 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 January 11, 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, except Director Czyz, thus constituting a quorum. Also attending were Ms. Tracy Stunja, visitor; 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, 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 December 14, 2021, previously distributed to the Board, were presented for approval. 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 minutes of the regular meeting of December 14, 2021, as presented.
3. **Adopt Orders Authorizing Exemptions from Taxation.** The Board discussed exemptions from taxation. Ms. Maher noted that the District currently authorizes an exemption in the amount of \$40,000 of appraised value to individuals who are disabled or 65 years of age and older. 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 the current exemption of \$40,000 and to approve an Order Adopting Tax Exemption for Individuals who are Disabled or are 65 years of Age or Older.
4. **Adopt Resolution Authorizing Additional Penalty on Delinquent Taxes.** Ms. Maher reviewed the Resolution Authorizing Additional Penalty on Delinquent Taxes ("Resolution"). She stated that the Resolution states that the District's delinquent tax attorney is entitled to compensation in their contract equal to 20% of the amount of delinquent tax, penalty, and interest collected. 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 adopt the

Resolution thereby authorizing 20% additional penalty on delinquent taxes remaining delinquent on April 1, 2022 for personal property, and remaining delinquent on July 1, 2022 for real property.

5. **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 December 31, 2021. She stated that the District had collected 20.32% of its 2021 taxes as of December 31, 2021. She noted that the District's total expenses were \$56,594.09 and that the cash balance as of December 31, 2021 was \$82,223.10. She presented seven checks and a wire transfer totaling \$278,346.82 for the Board's approval.

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 accept the Tax Collector's Report, and to authorize payment of check numbers 5010 through 5016 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

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

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, CFG Industries, has completed demolition of the concrete ring wall and has hauled all the broken concrete material offsite. She noted that TEG has mobilized the drill rig and is in the process of collecting the soil boring samples. She reviewed progress photos taken over the past month. She noted that as discussed at the last meeting, rutting and wet site conditions have been brought to IDS' attention as a concern at the Water Plant. She stated that IDS took several photos after the heavy rains on December 18, 2021, and that there were several areas that are holding water and not draining properly. She reported that it is common for site swales to silt up and for vegetation to fill in over time, and that this is easily fixed by re-grading and providing positive drainage as initially designed. She noted that there is no pay estimate for consideration this month. Discussion ensued.

Ms. Wilkinson discussed the Atascocita Joint Operations Board ("AJOB") Capital Improvements Plan. She stated that IDS received an updated Capital Improvements Plan for the AJOB Wastewater Treatment Plant, which projects out anticipated capital expenditures through the year 2030. She reviewed a budget with the District's pro-rata share broken out for each year.

Ms. Wilkinson reported on the water and wastewater capacity requests. She stated that on December 28, 2021, IDS issued a plan review letter to Kimley Horn, the engineer for the High Street Residential development. She stated that IDS would keep the Board informed as IDS receives updated plans or additional information from High Street Residential.

Ms. Wilkinson discussed the Tachus Fiberoptic Internet installation and stated that IDS received plans from Tachus with their initial plans to bring fiberoptic internet to the Atascocita area. She noted that IDS will share the plans with Inframark.

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. She noted that No. 132's engineer brought to IDS' attention an issue that the FM 1960 roadway widening at the jointly owned lift station. She stated that the driveway is now dangerously steep and has created an access issue

for Inframark. She noted that No. 132 is working on a fence relocation and driveway expansion and that No. 132 anticipates that TxDOT will install the new driveway connection to FM 1960.

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 Engineer's Report.

8. **Bookkeeper's Report.** President Spitzmiller recognized Mr. Diaz, who presented to and reviewed with the Board the Bookkeeper's Report for the period from December 15, 2021 to January 11, 2022, certain statements for payment, and the investment report for the period ending December 31, 2021. He stated that the current balance in the general fund is \$5,063,405.93 and that the balance in the debt service fund is \$242,670.86.

Mr. Diaz presented check numbers 1079 through 1110 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 \$198,758.63 and that debt service disbursements for the month were \$104.90.

Mr. Diaz reviewed the schedule of investments. He stated that the total investments of all the District's funds are \$4,569,150.25. 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 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 1079 through 1110, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

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

Mr. Jenkins stated that 98.3% of the water pumped was billed for the period from November 19, 2021 to December 18, 2021.

Mr. Jenkins reviewed the Major Maintenance Summary for December 2021. He reported that Inframark repaired six water leaks in the District, repaired the pole at the off-site well, performed well testing on wells 1 & 2, replaced check valve at Lift Station No. 1, installed new hydro-ranger at Lift Station No. 1 and repaired the ATS at Lift Station No. 2.

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.

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.

10. **Renew District Insurance (expires 2-20-22).** The Board reviewed the insurance proposal from Harco Insurance Services. It was the consensus of the Board to discuss the approval at the February meeting.

11. **Resolution Authorizing Indemnification of Directors.** The Board reviewed a Resolution Authorizing Indemnification of Directors. It was the consensus of the Board to discuss this item at the February meeting.

12. **Report on Eminent Domain filing.** Mr. Millas stated that the District is required to file an annual report by February 1, 2022 with the Texas Comptroller of Public Accounts related to its eminent domain powers. He reported there are no changes from last year's report and that NRF has filed the report on the District's behalf.

13. **Approve Order Calling Election.** Mr. Millas reviewed the Order Calling Directors Election (the "Order") for May 2022. He stated that the Board needs to approve the Order in order to call the directors election for May 7, 2022. He noted that Directors Czyz, Berry and Robb are up for reelection. 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 Order, thereby calling the directors election for May 7, 2022.

Mr. Millas reported that Harris County is offering joint election services for the May 7, 2022 directors election. He stated that NRF advises that the District intend to contract with Harris County for joint election services, as it will save the District money should an election occur. 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 intend to contract with Harris County for election services for the May 7, 2022 directors election.

14. **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
February 8, 2022.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

