

MINUTES OF MEETING OF BOARD OF DIRECTORS
NOVEMBER 10, 2020

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*”) convened in regular session on November 10, 2020, at 10:00 a.m. via teleconference pursuant to Section 551.125, Texas Gov’t Code as modified by the temporary suspension of certain provisions thereof pursuant to guidelines issued by the Texas Attorney General and approved by the Governor for use during the COVID-19 statewide disaster. A roll call was taken of the persons present:

Kent F. Spitzmiller, President
Jerry Berry, Vice President
Herman Jordan, Vice President
Steve Robb, Secretary
Dan Czyz, Assistant Secretary

Persons Attending. All members of the Board were present, except Directors Jordan and Czyz, thus constituting a quorum. Also attending were Mr. Brian Gerould of IDS Engineering Group (“IDS”), engineer for the District; Mr. Allen Jenkins of Inframark, operators for the District; 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.

Pursuant to Section 551.054, Texas Gov’t Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District’s website within the time limits prescribed by law. The agenda packet was posted on the website as items became available.

Call to Order. President Spitzmiller called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. President Spitzmiller then set out guidelines for the conduct of the meeting. He asked each speaker to identify themselves before speaking. He then proceeded with the meeting business:

1. **Public Comments.** There were no comments.
2. **Minutes.** Proposed minutes of the regular meeting of October 13, 2020, 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 October 13, 2020, 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 October 31, 2020. She stated that the District had collected 99.56% of its 2019 taxes as of October 31, 2020. She noted that the District's total expenses were \$12,460.54 and that the cash balance as of October 31, 2020 was \$81,297.82. She presented three checks and a wire transfer totaling \$30,130.09 for the Board's approval.

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 Tax Collector's Report, and to authorize payment of check numbers 2535 through 2537 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 October 14, 2020 to November 10, 2020, certain statements for payment, and the investment report for the period ending October 31, 2020. He stated that the current balance in the general fund is \$4,688,838.38 and that the balance in the debt service fund is \$478,823.07.

Mr. Diaz presented check numbers 11639 through 11673 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 \$192,485.07 and the debt service disbursements for the month were \$11.06.

Mr. Diaz reviewed the schedule of investments. He stated that the total investments of all the District's funds are \$4,946,679.73. He noted that there is one Certificate of Deposit ("CD") maturing at Compass Bank prior to the next meeting. He stated that he will coordinate with Director Jordan regarding the investment.

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 11639 through 11673, from the General Fund in the amounts, to the persons, and for the purposes listed in such Report as requested herein.

5. **Engineer's Report.** President Spitzmiller recognized Mr. Gerould, who presented to and reviewed with the Board the Engineer's Report.

Mr. Gerould stated that at the October meeting, the Board discussed the cost summary, tentative design and construction schedule for the replacement of Ground Storage Tank No. 3 at the Water Plant No. 1. He stated that IDS has started design of the replacement. He reviewed the engineering design proposal with the Board. Discussion ensued regarding the engineering costs. Mr. Gerould stated that a revised proposal would be presented at the next meeting.

Mr. Gerould reported on the need to add an additional tank capacity in order to serve the remainder of the Pinehurst Holdings tracts. He stated that the letter that IDS received from the previous engineer with regards to the Texas Commission on Environmental Quality ("TCEQ") approval of the elevated storage exception was not the most current. He noted that there is a different approval letter that supersedes the approval letter that IDS has. He reported that the 30,000 gallons of capacity that is currently in place at the water plant is adequate for the remainder of the

development, and that the only unmet condition of the exception is a pressure monitoring chart recorder that is on battery backup. He noted that the District is required to maintain three years of pressure history as a condition of the approval.

Mr. Gerould reported on the sanitary sewer manhole rehabilitation. He stated that T. Gray Utility Co. has applied the cementitious liner in the four manholes they are rehabilitating and that they intend to have the epoxy lining complete next week to finish out the project.

Mr. Gerould reviewed the summary of America's Water Infrastructure Act of 2018 that was provided by the Environmental Protection Agency of Risk and Resilience Assessments and Emergency Response Plans that all Community Water Systems ("CWS") serving a population of 3,301 or greater need to prepare and certify to. He stated that the District's deadline to submit the certifications is June 30, 2021. He noted that after the initial certification submittals, the assessments and response plans are required to be reviewed and recertified on a recurring five year cycle. He requested the Board's approval to authorize IDS to begin preparation of the District's Assessment and Response Plan.

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 begin preparation of the District's Assessment and Response Plan.

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 Engineer's Report.

6. **Operations Report.** President Spitzmiller recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for October 2020. He reported that Lift Pump No. 3 at Lift Station No. 1 needs to be either repaired or placed. He noted that the replacement would cost \$12,746.00 and the repair would cost \$10,540.00. It was the consensus of the Board to replace Lift Pump No. 3 at Lift Station No. 1.

Mr. Jenkins stated that 101.9% of the water pumped was billed for the period from September 23, 2020, to October 21, 2020.

Mr. Jenkins reviewed the Major Maintenance Summary for October 2020. He reported that Inframark repaired one water leak in the District. He stated that for the sanitary sewer collection, Inframark purchased and applied the degreaser and repaired a manhole at 20115 Water Point Trail.

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

Mr. Jenkins stated that he has been coordinating with President Spitzmiller regarding the delinquent process during COVID-19. President Spitzmiller recommended that the Board review the delinquent process on a month by month basis. He stated that there were no accounts for consideration to write-off this month. He reported that there are four accounts for consideration to send to Collections Unlimited of Texas totaling \$667.22.

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, to authorize Inframark to replace Lift Pump No. 3 at Lift Station No. 1, and to send four accounts to Collections Unlimited of Texas totaling \$667.22.

7. **Developer's Report.** President Spitzmiller recognized Mr. Stunja, who reported on developments within the District. He stated that the capacity reservation letter he has will expire in February 2021. He noted that the capacity reservation letter needs to be revised to correct the language regarding the capacity commitment from the TCEQ. He stated that at the December meeting he would like to ask for the Board to consider extending the letter for another year. It was the consensus of the Board to authorize IDS to revise the capacity reservation letter and present the letter at the December meeting.

8. **Status report on District website and such other matters as may properly come before it.** 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
December 8, 2020.

Kent I Spitzneller
President, Board of Directors

ATTEST:

[Signature]
Secretary, Board of Directors

(DISTRICT SEAL)

