

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 28, 2018

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

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The Board of Directors (the "Board") of Harris County Municipal Utility District No. 152 (the "District") met in regular session, open to the public, at the offices of Norton Rose Fulbright US LLP, at 1301 McKinney Suite 5100, Houston, Texas at 11:30 a.m. on Wednesday, February 28, 2018, whereupon the roll was called of the members of the Board, to wit:

Kelly Cline, President
Doug Walker, Vice President
Charlie Crocker, Secretary
Ernest Bezdek, Assistant Secretary
Andrew Galeucia, Assistant Secretary

Persons Attending. All members of the Board were present except Director Crocker. Also attending all or parts of the meeting were Mr. Lizandro Campos of Wheeler & Associates, tax assessor and collector for the District; Mr. Larry Jones and Mr. Allen Jenkins of Inframark, operator for the District; Ms. Karrie Kay of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Brian Gerould of IDS Engineering Group ("IDS"), engineer for the District; Mr. Brian Rego; and Ms. Kathleen Ellison and Ms. Erika Smiley of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

Call to Order. The President called the meeting to order and, in accordance with notice posted pursuant to law, copies of the certificates of posting of which are attached hereto as Exhibit "A," the following business was transacted:

1. **Approve minutes of the meeting of January 24, 2018.** The Board considered the proposed minutes of the meeting of January 24, 2018, previously distributed to the Board. President Cline noted a formatting issue with the Directors names. Upon motion by Director Bezdek, seconded by Director Galeucia, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of January 24, 2018.

2. **Public Comments.** The President recognized Mr. Rego, who introduced himself to the Board. He said he was a friend of Dru Gutierrez, candidate for the Board.

3. **Review Tax Assessor and Collector's report and authorize payment of bills.** The President recognized Mr. Campos, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of January 2018, a copy of which is attached hereto as Exhibit "B." Mr. Campos noted that 93.22% of the District's 2017 taxes had been collected as of the meeting date. Mr. Campos also presented a Sales and Use Tax Administration Report dated February 2018, a copy of which is included in Exhibit "B."

Upon motion by Director Bezdek, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report and to authorize payment of check numbers 3887 to 3899 from the Tax Account to

the persons, in the amounts, and for the purposes listed in the report.

4. **Review Bookkeeper's Report, approve investment report, and authorize payment of bills.** The President recognized Ms. Kay, who presented to and reviewed with the Board the Bookkeeper's Report, investment report, and a report on District deposits and pledged securities for the month of January 2018, copies of which are attached hereto as Exhibit "C."

Upon motion by Director Galeucia, seconded by Director Bezdek, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 9041 through 9058 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

5. **Review Operations, authorize repairs, conduct hearing and terminate delinquent accounts.** The President recognized Mr. Jenkins, who presented to and reviewed with the Board the Operations Report for the month of January 2018, a copy of which is attached hereto as Exhibit "D." Mr. Jenkins stated that 93.03% of the water pumped was billed for the period from December 21, 2017, through January 20, 2018. Upon inquiry from Director Walker, Mr. Jenkins said that Beraca Concrete has a minimum charge for a job.

Mr. Jenkins said Inframark was closing the payment window at the Lockhaven office. He said 8 to 10 customers paid there a month. He stated that there would be a notice on customer bills.

Upon motion by Director Galeucia, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report and terminate the delinquent accounts in accordance with the Rate Order.

6. **Review Engineer's Report and authorize time extension requests, pay estimates, and change orders for pending contracts.** The President recognized Mr. Gerould, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "E."

Mr. Gerould reported on the contract for Water Plant No. 1 Ground Storage Tank No. 2 Rehabilitation with Outlaw 66 Coatings, LLC. He recommended approval of change order no. 1 in the amount of \$1,750.00 due to the extensive welding repairs that were required on the tank. Mr. Gerould reported that a final walkthrough inspection was held with the contractor on February 19, 2018. He stated that there were a few minor punch list items that the contractor corrected. Mr. Gerould requested the Board approve payment of the contractor's invoice in the amount of \$18,722.50.

Mr. Gerould reported that IDS has completed approximately 60% of the Sanitary Sewer Cleaning and Televising review. He stated that so far the system looks in good condition and IDS has only found a few repairs that need to be made. Mr. Gerould reported that IDS will have the review and recommendations completed for the Board's review at the next meeting. He stated that there were not any requests for payment this period. Mr. Gerould reported that the contractor originally submitted their invoicing to Inframark so they are now in the process of preparing the paperwork.

Mr. Gerould reported that he attended a meeting on February 12, 2018, hosted by the Texas Department of Transportation regarding the expansion of FM 1960 from Twigsworth Lane to Atascocita Shores Drive. He has determined the proposed expansion does not appear to have any effect

on the District's utilities. Mr. Gerould reported that BGE is working to determine if any of the joint trunk line facilities will be affected.

Mr. Gerould reported that BGE and IDS have determined the District currently owns 1,341 connections in the joint lift station. He stated that he has calculated that if all of the land within the District is built out, including the connections requested for the retirement development, the District will have utilized 1,307 connections.

Mr. Gerould reported that the District received a call about the small tract adjacent to the joint lift station regarding regional detention but the type of development was not stated.

Upon motion by Director Walker, seconded by Director Galeucia, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, to approve payment to Outlaw 66 Coatings, LLC in the amount of \$17,722.50, and to approve a change order to the contract with Outlaw 66 Coatings, LLC which adds \$1,750.00 to the contract price.

7. **Authorize capacity commitments.** This was addressed under the Engineer's report.
8. **Report on purchase of church property, elevated storage tank exception and any necessary action.** This was addressed under the Engineer's report.
9. **Discuss and Consider execution of Right of Entry Agreement requested by West Harris County Regional Water Authority.** Mr. Gerould presented to and reviewed with the Board a Right of Way Entry Agreement and letter from the West Harris County Regional Water Authority (the "Authority"), copies of which are attached hereto as Exhibit "F." Mr. Gerould reported that the Authority is requesting the right-of-entry agreement be executed to allow representatives of the Authority to install remote reading equipment on the District's water wells. Discussion ensued regarding the Authority's ability to enter the Plant. Upon motion by Director Walker, seconded by Director Galeucia, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Right of Entry Agreement.
10. **Discussion regarding District Insurance (Harco/TML-IRP policy expires May 1).** Ms. Ellison reported that the District's insurance expires in May. Discussion ensued. It was the consensus of the Board to direct NRF to request a proposal from Arthur J. Gallagher and a renewal proposal from HARCO.
11. **Report on AWBD Conference.** There was no discussion on this item.
12. **Discuss and take necessary action in connection with District website.** There was no action taken.
13. **Adopt Amended and Restated Order Calling Directors Election.** Ms. Ellison presented to and reviewed with the Board the Amended and Restated Order Calling Directors Election, a copy of which is attached hereto as Exhibit "G." Director Bezdek reviewed with the Board the various options for an election location he had investigated. He said the best alternative is to have the election at the home of the Early Voting Clerk. He said there is plenty of parking on that street and the District can post signs to guide voters to the location. Discussion ensued regarding payment for the election location and officials. Upon motion by Director Galeucia, seconded by Director Bezdek, after full discussion and

the question being put to the Board, the Board voted unanimously to adopt the Amended and Restated Order Calling Directors Election.

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

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The above and foregoing minutes were passed and approved by the Board of Directors on March 28, 2018.



President, Board of Directors



Secretary, Board of Directors

(DISTRICT SEAL)

