

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 25, 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, April 25, 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. Also attending all or parts of the meeting were Mr. Ryan Fortner of Wheeler & Associates, tax assessor and collector for the District; 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. Allen DeJonge of 1190 Designs; Mr. Dave Ciarella of Enhanced Energy Services; 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 March 28, 2018.** The Board considered the proposed minutes of the meeting of March 28, 2018, previously distributed to the Board. Upon motion by Director Crocker, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of March 28, 2018.

2. **Public Comments.** Mr. Ciarella reviewed the services he provides to the District as a broker of electricity. He reviewed the electric market, the District's electric usage history, natural gas 36-month strip prices, potential new pricing with Nodal congestion, and pricing estimates for terms starting on May 1, 2020, for contract periods of 12, 18, 24, 30, 36, 42, 48 or 60 months. A copy of his presentation is attached hereto as Exhibit "B."

3. **Presentation on Web Design and Maintenance Services.** The President recognized Mr. DeJonge, who presented and reviewed a Service Agreement for web design and maintenance services, a copy of which is attached as Exhibit "C." He reviewed the pricing structure for design, maintenance and additional upgrades. Discussion ensued regarding content and layout. Mr. DeJonge then left the meeting.

4. **Engage Auditor.** There was no action taken on this time.

5. **Consider Financial Advisor Contract.** There was no action on this item.

6. **Review Tax Assessor and Collector's report and authorize payment of bills.** The President recognized Mr. Fortner, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of March 2018, a copy of which is attached hereto as Exhibit "D." Mr. Fortner noted that 98.03% of the District's 2017 taxes had been collected as of the meeting date.

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 Tax Assessor and Collector's Report and to authorize payment of check numbers 3908 to 3919 from the Tax Account to the persons, in the amounts, and for the purposes listed in the report.

7. **Consider Amendment to Services for Sales Tax.** The President recognized Mr. Fortner, who presented to and reviewed with the Board an amendment to the Agreement for Services for Sales Tax Monitoring with Sales Revenue, Inc., a copy of which is attached hereto as Exhibit "E." Mr. Fortner said the fee had not been changes since 2008. 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 and authorize execution of the amendment to the Agreement for Services for Sales Tax Monitoring.

8. **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 March 2018, copies of which are attached hereto as Exhibit "F."

Ms. Kay reported on check no. 9088 to TNRG Acquisitions, in the amount of \$1,790.19 to refund the unused portion of its deposit.

Ms. Kay reported on check no. 9090 to Reflection Printing, in the amount of \$1,890.30 for election expenses.

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 Bookkeeper's Report, to approve the Investment Report, to authorize payment of check numbers 9075 through 9093 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

9. **Review Budget for fiscal year ending May 31, 2019.** Ms. Kay presented to and reviewed with the Board a draft budget for fiscal year ending May 31, 2019, a copy of which is attached to the Bookkeeper's Report. Discussion ensued regarding changes to the draft budget. Upon motion by Director Crocker, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the budget for fiscal year ending May 31, 2019, as revised.

10. **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 March 2018, a copy of which is attached hereto as Exhibit "G." Mr. Jenkins stated that 94.01% of the water pumped was billed for the period from February 21, 2018, through March 21, 2018. He asked the Board to authorize Inframark to send one account to collections.

Mr. Jenkins reviewed Inframark's identity theft and protection policy.

Mr. Jenkins presented to and reviewed with the Board the draft 2017 Consumer Confidence Report, which is included in Exhibit G.

Mr. Jenkins reviewed the Zenner smart meter proposals. Discussion ensued.

Upon motion by Director Crocker, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, authorize Inframark to send one account to collections, and terminate the delinquent accounts in accordance with the Rate Order.

11. **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 "H."

Mr. Gerould reported that IDS completed a field visit to determine the feasibility of making the repairs that were found during the cleaning and televising.

Mr. Gerould reported that IDS has not finished the exhibit for the repair recommendations; however, he had attached a few photos of the defective service line at 7023 Hot Creek Trace for the Board's review and discussion. Discussion ensued about the tree in the easement.

Mr. Gerould reported that there appears to be some settlement of the sidewalk in the vicinity of Town Center Boulevard. He said IDS believes that the manhole north of Oak Walk has localized infiltration and has caused the adjacent sidewalk to drop by approximately four inches.

Mr. Gerould reported that the tract at the corner of Will Clayton Parkway and Aerobic Drive is under construction.

Mr. Gerould reported that there were no requests for water or sewer capacity.

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 Engineer's Report.

12. **Authorize capacity commitments.** This was addressed under the Engineer's report.

13. **Discussion regarding District Insurance (Harco/TML-IRP policy expires May 1).** Discussion ensued regarding the HARCO and WIN Insurance proposals. Ms. Ellison reminded the Board that Mr. Mraz and Ms. Courte presented proposals at the last meeting and the Board deferred a decision.

Upon motion by Director Crocker, seconded by Director Galeucia, after full discussion and the question being put to the Board, the Board voted unanimously to accept and authorize execution of the proposal submitted by HARCO Insurance Services, as presented.

14. **Discuss and take necessary action in connection with District website.** The Board

addressed Mr. DeJonge's proposal. 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 Service Agreement, which includes approval of a standard layout for site design for a one-time cost of \$900.00 and Option 3 for monthly maintenance for a cost of \$250 per month.

15. **Consider Request to obtain energy information.** The President recognized Ms. Ellison, who presented to and reviewed with the Board a request from Acclaim Energy Advisors to solicit energy quotes on the Board's behalf. Mr. Ciarella provided further explanation on the request. It was the consensus of the Board to decline the request from Acclaim Energy Advisors.

Director Walker left the meeting at this time.

16. **Matters Pertaining to 2018 Directors Election.** Ms. Ellison gave the Board an update regarding the 2018 election. She stated that the Board may wish to authorize the election officials to release the unofficial vote totals on the evening of May 5, 2018. It was the consensus of the Board to do so. The Board then discussed scheduling a special meeting to canvass the 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 May 23, 2018.



President, Board of Directors



Secretary, Board of Directors

(DISTRICT SEAL)

