

MINUTES OF MEETING OF BOARD OF DIRECTORS
August 22, 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, August 22, 2018, whereupon the roll was called of the members of the Board, to wit:

Kelly Cline, President
Ernest Bezdek, Vice President
Charlie Crocker, Secretary
Andrew Galeucia, Assistant Secretary
Asdrubal "Dru" Gutierrez, Assistant Secretary

Persons Attending. All members of the Board were present. Also attending all or parts of the meeting were Mr. Lizandro Campos of Wheeler & Associates, tax assessor and collector for the District; Mr. Allen Jenkins of Inframark, LLC, operator for the District; Ms. Vanessa Hernandez of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Chase Wolf of Masterson Advisors L.L.C. ("Masterson"), financial advisors for the District; Mr. Tim Applewhite of McCall Gibson Swedlund Barfoot, PLLC ("MGSB"), Auditor for the District; Mr. Brian Gerould of IDS Engineering Group ("IDS"), engineer for the District; 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 regular meeting minutes of July 25, 2018.** The Board considered the proposed regular meeting minutes of July 25, 2018, previously distributed to the Board. Upon motion by Director Galeucia, seconded by Director Crocker, after full discussion and the question being put to the Board, the Board voted unanimously approve the regular meeting minutes of July 25, 2018.

2. **Public Comments.** There were no public comments.

3. **Authorize filing of Audit for fiscal year ended May 31, 2018.** The President recognized Mr. Applewhite, who presented to and reviewed with the Board a draft of the District's audit for the fiscal year ended May 31, 2018, a copy of which is attached hereto as Exhibit "B." Mr. Applewhite said MGSB would be issuing an unqualified opinion on the audit. Upon motion by Director Crocker, seconded by Director Bezdek, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize filing of the audit for fiscal year ended May 31, 2018.

4. **Approve Annual Continuing Disclosure Report.** Ms. Ellison presented to and reviewed with the Board the Annual Continuing Disclosure Report for the fiscal year ending May 31, 2018, a copy of which is attached hereto as Exhibit "C." She said the report and the District's audit are required to be filed on a website operated by the Municipal Securities Rulemaking Board. Upon motion by Director

Bezdek, seconded by Director Gutierrez, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Annual Continuing Disclosure Report for fiscal year ended May 31, 2018 and authorize its filing.

5. **Adopt Order Designating Officer to Calculate & Publish Tax Rates (Texas Water Code 49.236).** The President recognized Mr. Wolf, who presented to and reviewed with the Board the recommendation for the 2018 tax rate, a copy of which is attached hereto as Exhibit "D". Mr. Wolf recommended a debt tax rate of \$0.23 per \$100 assessed valuation to provide the District with sufficient funds to make debt service payments. The Board discussed its operating needs and the appropriate operations and maintenance tax rate.

Ms. Ellison presented to and reviewed with the Board the Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2018, a copy of which is attached hereto as Exhibit "E". Ms. Ellison noted that the Order authorizes the tax assessor's office to publish a notice of the proposed tax rate and a public hearing with respect to the tax rate.

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 propose a total tax rate of \$0.28 per \$100 assessed valuation, with \$0.23 for debt service and \$0.05 for maintenance and operating expenditures, and to approve the Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2018.

6. **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 July 2018, a copy of which is attached hereto as Exhibit "F." Mr. Campos noted that 98.93% of the District's 2017 taxes had been collected as of the meeting date.

Upon motion by Director Gutierrez, 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 3937 to 3942 from the Tax Account to the persons, in the amounts, and for the purposes listed in the report.

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

Upon motion by Director Bezdek, seconded by Director Crocker, 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 9151 through 9166 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

8. **Review investment policy and accept related party disclosures.** Ms. Ellison presented to and reviewed with the Board a Resolution Reviewing the Investment Policy (the "Resolution"), a copy of which is attached hereto as Exhibit "H." Ms. Ellison stated that no changes to the policy are being recommended. 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 approve the Resolution.

9. **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 July 2018, a copy of which is attached hereto as Exhibit "I." Mr. Jenkins stated the accountability percentage for the period from June 23, 2018, through July 22, 2018 is 91.29% without flushing and 91.84% with flushing. He asked the Board to authorize Inframark to send four accounts totaling \$328.55 to collections and to write off two account totaling \$36.44.

Mr. Jenkins reported that the well motor at Water Plant No. 1 had to be disassembled and inspected. He said Burke's Mechanical provided a proposal to repair the motor for \$28,623 or to purchase a new motor for \$40,816. A copy of the proposal is included in the Operations Report. Discussion ensued regarding the District directly purchasing or contracting with vendors rather than going through Inframark.

Mr. Jenkins said Inframark was still investigating the sinkholes along the back easement on West Lake Houston Parkway. He said Inframark gave a new customer a week extension to pay her bill. Mr. Jenkins reported on an incident where Inframark tore up a resident's sidewalk in two places. Mr. Jenkins said Inframark will pay for the repairs.

Upon motion by Director Crocker, seconded by Director Bezdek, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to send four accounts totaling \$328.55 to collections and to write off two accounts totaling \$36.44, to replace the well motor for a cost of \$40,816, and to terminate the delinquent accounts in accordance with the Rate Order.

10. **Discuss and take any necessary action regarding the District's rate order.** This item was deferred.

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 "J."

Mr. Gerould reported IDS has received the construction contracts from the contractor for the sanitary sewer rehab project and recommends execution subject to the Attorney's review of the bonds and insurance. He stated that after the bonds and insurance have been verified IDS will schedule a pre-construction meeting with the contractor.

Mr. Gerould reported that he discussed the possibility of an interconnect near the Goddard School on West Lake Houston Parkway with Matt Froehlich, who he said he will discuss it with the HCMUD No. 153 Board at their next meeting. He said Matt Froehlich also noted that they have been looking at the other districts in the area they represent to see if they have similar dead-end issues.

Mr. Gerould reported on water and sewer capacity commitment requests and site reviews. He stated that IDS has received preliminary plans for Atascocita Berkeley Eye Center located on West Lake Houston Parkway. He stated that a first round of comments have been issued and IDS has asked for a resubmittal after those comments have been addressed.

Mr. Gerould reported that IDS has received plans for the West Lake Houston IL & AL Facility located on West Lake Houston Parkway. He stated that preliminary comments were issued and that their engineer is researching before submitting the final plans for IDS review.

Upon motion by Director Galeucia, seconded by Director Gutierrez, 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. **Discuss and take necessary action in connection with District website.** Director Galeucia discussed website updates and providing the Board with analytics.

14. **Other Matters.** Director Cline said he was selling the house he owns in the District and this would be his last meeting.

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 September 26, 2018



President, Board of Directors



Secretary, Board of Directors

(DISTRICT SEAL)

