

MINUTES OF MEETING OF BOARD OF DIRECTORS
September 26, 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, September 26, 2018, whereupon the roll was called of the members of the Board, to wit:

Vacancy
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. Karrie Kay of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Stephen Busbee, a resident of 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. **Election of Officers.** The Board discussed honoring Kelly Kline and Doug Walker, who served on the Board for many years. Ms. Ellison said the Board should elect a new president. 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 appoint Director Crocker to serve as President, leaving the office of Secretary vacant. 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 elect Director Galeucia as Secretary.

2. **Discuss procedure for appointment of new director.** The Board discussed the vacant Board position. Ms. Ellison outlined procedures for appointing a new director. It was the consensus of the Board to solicit resumes from interested persons and review them at the District's October meeting.

3. **Discuss and take any necessary action regarding representative to AJOB.** Discussion ensued regarding the District's representative to AJOB. 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 appoint Director Bezdek as the District representative to AJOB.

4. **Approve regular meeting minutes of August 22, 2018.** The Board considered the proposed minutes of the regular meeting of August 22, 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 minutes of the regular meeting of August 22, 2018.

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

6. **Public Hearing on Proposed tax rate for 2018.** The President opened the hearing on the proposed 2018 tax rate. There were no comments on the tax rate from the public. The President closed the hearing.

7. **Adopt Order Setting Tax Rate and Levying Tax for 2018.** The Board reviewed the Order Setting Tax Rate and Levying Tax for 2018, a copy of which is attached hereto as *Exhibit B*. 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 adopt the Order Setting Tax Rate and Levying Tax for 2018, thereby levying a tax at a rate of \$0.28 per \$100 assessed valuation (\$0.23 for debt service and \$0.05 for operations and maintenance).

8. **Approve Amendment to Amended and Restated District Information Form.** The Board reviewed the Amendment to Amended and Restated District Information Form, a copy of which is attached hereto as *Exhibit C*. Ms. Ellison reported this document is recorded in the Harris County Real Property Records to provide notice to purchasers of property in the District of the current tax rate in the District. 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 Amendment to the Amended and Restated District Information Form.

9. **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 August 2018, a copy of which is attached hereto as *Exhibit D*. Mr. Campos noted that 99.16% 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 3943 to 3947 from the Tax Account to the persons, in the amounts, and for the purposes listed in the report.

10. **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, copies of which are attached hereto as *Exhibit E*.

Ms. Kay reported that the District received a check for the well motor.

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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 9167 through 9183 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

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 August 2018, a copy of which is attached hereto as *Exhibit F*. Mr. Jenkins stated the accountability percentage for the period from July 21, 2018 to August 21, 2018 is 90.85% without flushing and 91.43% with flushing. He asked the Board to authorize Inframark to send four accounts totaling \$297.93 to collections and to write off one account totaling \$6.65. Mr. Jenkins said the grinder on the lift station is being replaced.

After inquiry from Director Bezdek, discussion ensued regarding the use of Drylet for sludge reduction. Director Bezdek said the AJOB Board was divided on whether to continue using it. 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 Operations Report, to send four accounts totaling \$297.93 to collections, to write off one account totaling \$6.65, and to terminate the delinquent accounts in accordance with the Rate Order.

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

12. **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 G*.

Mr. Gerould reported that a pre-construction meeting was held at IDS on September 20th. He stated that the contractor's notification to proceed is being issued on October 1st.

Mr. Gerould reported on the settlement on West Lake Houston Parkway near the sanitary main. He stated that IDS reviewed the videos of the 30-inch sanitary sewer main on West Lake Houston Parkway and did not find any evidence of defects that would cause sinkholes in the vicinity of the main. Mr. Gerould reported that the private connections to the system may be causing some of the settlement under the fence line but from what could be seen inside of the main looking up into the private lines, IDS concluded that the chance is fairly low.

Mr. Gerould reported that IDS made a field visit and noticed that a dry utility contractor had done work in the area and may not have adequately backfilled its excavations. He stated that this may have caused some of the issues seen along the fence line. Mr. Gerould reported that IDS did not attempt to go into the private yards to determine if there were any grading issues on the back side of the fence that may be affecting how the water drains out of the back yards.

Mr. Gerould reported that during the rainstorm on July 4th that it appeared that the waste overflow was a muddy color. He believes this was due to the new construction in HCMUD No. 153, south of Will Clayton Parkway. Mr. Gerould reported that the lift station from that development pumps to the 152/153 joint lift station and in turn pumps to the 30-inch sewer main on West Lake Houston. He stated that whenever there are large areas of disturbed soils in a very heavy rain event some of the runoff inevitably ends up in the sanitary system.

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 Engineer's Report.

13. **Authorize capacity commitments.** There were no capacity requests.

14. **Discuss and take necessary action in connection with District website.** Director Galeucia reviewed website analytics with the Board.

15. **Discuss December meeting date.** It was the consensus of the Board to hold the District December meeting on December 19, 2018.

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 October 24, 2013.



President, Board of Directors



Secretary, Board of Directors

(DISTRICT SEAL)

