

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 27, 2019

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

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 27, 2019, whereupon the roll was called of the members of the Board, to wit:

Charlie Crocker, President
Ernest Bezdek, Vice President
Andrew Galeucia, Secretary
Asdrubal "Dru" Gutierrez, Assistant Secretary
Curtis McMinn, Assistant Secretary

Persons Attending. All members of the Board were present except Director McMinn. Also attending all or parts of the meeting were Ms. Darce' Ahlschlager of Wheeler & Associates, tax assessor and collector for the District; Mr. Allen Jenkins and Mr. Larry Jones of Inframark, LLC, 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. Howard Manson of Today's Integration, Inc.; and Ms. Kathleen Ellison and Ms. Jaquice Horton 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 January 23, 2019.** The Board considered the proposed minutes of the regular meeting of January 23, 2019, previously distributed to the Board. 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 the regular meeting of January 23, 2019.

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

3. **Discuss dedicating Water Plant 1.** Director Bezdek reported that he has ordered the plaque. He said that he will notify the Board when the date for the reception is set.

4. **Review Tax Assessor and Collector's report and authorize payment of bills.** The President recognized Ms. Ahlschlager, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of January 2019, a copy of which is attached hereto as *Exhibit "B."* Ms. Ahlschlager noted that 94.5% of the District's 2018 taxes had been collected as of the meeting date.

Ms. Kay entered the meeting at this time.

Upon motion by Director Gutierrez, seconded by Director Bezdek, 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 3974 to 3983 from the Tax Account to the persons, in the amounts, and for the purposes listed in the report.

5. **Adopt Order(s) Authorizing Exemption from Taxation.** Ms. Ellison reviewed with the Board an Order Adopting Exemption from Taxation, a copy of which is attached hereto as *Exhibit "C"*. Discussion ensued regarding property tax exemptions. 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 adopt the Order Authorizing Exemptions from Taxation for Individuals Who are Disabled or are 65 Years of Age or Older, thereby granting an exemption of \$20,000 from the assessed value of residence homesteads of individuals who are disabled or are 65 years of age or older.

6. **Discussion regarding District Insurance.** Ms. Ellison reported that the District's current insurance is through HARCO Insurance Services and expires May 1, 2019. The Board instructed NRF to obtain renewal proposals from interested carriers.

7. **Authorize Preparation of special district report for comptroller database.** The President recognized Ms. Ellison, who stated that the District is required to submit financial and tax-related information to the Comptroller by May 1, 2019. 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 authorize NRF to make the filing on behalf of the District.

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, copies of which are attached hereto as *Exhibit "D."* Ms. Kay presented 19 checks and 10 deposit refunds for the Board's approval.

Director Bezdek left the meeting at this time.

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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 9258 through 9276 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

9. **Discuss allocation of SPA moneys.** The President recognized Ms. Ellison, who presented to and reviewed with the Board a memorandum of Legal Authority to Work with Homeowner's Associations prepared by NRF that states the types of projects the District can fund. A copy of the memorandum is attached hereto as *Exhibit "E."*

Director Bezdek re-entered the meeting at this time.

Discussion ensued regarding additional projects the Board may pursue in the future.

Director Gutierrez updated the Board regarding constructing sidewalks around Timbers Elementary School. Director Gutierrez stated that he met with the school's principal, who said the school only wants a sidewalk on the north side of Lonesome Woods. He stated that he confirmed that Humble ISD would maintain the sidewalk. Director Gutierrez informed the Board that the Principal also discussed construction of a new school track. There was no action taken at this time.

10. **Discuss TxDOT call for projects: Safe Routes to Schools Grant Program.** Director Gutierrez informed the Board of The Federal Safe Routes to School (SRTS) Program being administered by TxDOT in Texas. He said there was no local fund requirement. He said he would like to see if the District can take advantage of a grant. Discussion ensued. It was the consensus of the Board to authorize Director Gutierrez to look into possible projects which would qualify for grant funding, with the assistance of the District's engineer.

11. **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 2019, the Fire Hydrant Inspection & PM Report, and the Main Line Valve Survey Summary Report, copies of which are attached hereto as *Exhibit "F."*

Mr. Jenkins reported on repairs in the District.

Mr. Jenkins reviewed with the Board a proposal to convert the District's Water Plants from a chlorine system to a bleach system. He said the estimated cost of converting the District's water plants would be \$18,650 for each site. Discussion ensued. The President requested that IDS prepare a risk and cost analysis.

Mr. Jenkins reviewed with the Board the Fire Hydrant Inspection & PM report. Mr. Jenkins informed the Board of the total number of hydrants inspected during the survey, the deficiencies found, and the estimated cost for the needed repairs of \$54,250. It was the consensus of the Board to table the approval of the fire hydrant repairs until the next meeting.

Mr. Jenkins reviewed with the Board the Main Line Valve Survey Summary report completed in December 2018. Mr. Jenkins said the estimated cost of locating, exercising and repairing the valves is \$16,155. Discussion ensued.

Upon motion by Director Gutierrez, seconded by Director Bezdek, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, send accounts in the aggregate amount of \$1,022.18 to collections, write-off accounts with an aggregate balance of \$37.91, terminate the delinquent accounts in accordance with the Rate Order, and approve the main line valve project at a cost of \$16,155.

12. **Discuss Water Plant Security.** The President recognized Mr. Manson, who presented to and reviewed with the Board various security measures the Board could take. He presented proposals from Today's Integration, Inc., copies of which are attached hereto as *Exhibit "G."* Discussion ensued. It was the consensus of the Board to take no action on the security proposals at this meeting.

13. **Discussion regarding Expenditures Authorization.** The President requested that Ms. Ellison provide clarification as to whether a director could authorize a repair in the field. Discussion ensued.

Mr. Manson left the meeting at this time.

Ms. Ellison advised that the Texas Water Code requires the Board to make all decisions in open meetings; however, the Board could set general guidelines on repairs for the operator to follow.

Ms. Ahlschlager left the meeting at this time.

14. **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 on the Sanitary Sewer Rehabilitation project, stating that all work is complete. He presented the Application and Certificate for Payment No. 1 and final for the project in the amount of \$42,657.50. He stated that IDS has reviewed the application and is recommending payment to the contractor.

Mr. Gerould reported that IDS has reviewed the request from HCMUD No. 153 ("MUD 153") to abandon the interconnection near the intersection of FM 1960 and W. Lake Houston Parkway. He stated that he agrees with MUD 153's conclusion that the interconnect is no longer needed as a long term water source due to both districts' having two plants; however, he said the interconnect could be beneficial if there was an emergency. Mr. Gerould informed the Board that he is waiting for a response from MUD 153 district's engineer to some questions regarding whether it would be feasible to keep the interconnect but abandon the metering equipment which is expensive to maintain and not needed in emergencies. It was the consensus of the Board to table the discussion of abandoning the interconnection until the next meeting.

Ms. Ellison reported that the District had received correspondence from MUD 153 requesting payment for one-half of the costs expended for repairs made on the mainline break on West Lake Houston Parkway and FM 1960 at the interconnect between MUD 153 and the District. Discussion ensued.

Mr. Gerould reported on the sidewalks at Timbers Elementary School. He stated that he met with the school district and they seemed appreciative that the Board was considering adding the sidewalk between the driveways. He stated that he contacted the County and they said if it involves work within the right-of-way plans will need to be prepared and signed and sealed by the engineer. Mr. Gerould informed the Board that IDS will prepare plans for the County approval and then solicit bids and have them for the Board to consider at the April meeting.

Discussion ensued regarding construction of the sidewalks. 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 authorize extension of the sidewalk construction in order to connect to the existing sidewalk and to construct an additional sidewalk along the drainage channel adjacent to Long Trace.

Mr. Gerould reported on Water Plant No. 1, GST No. 2. He stated that the anniversary inspection of Water Plant No. 1 is complete and that the GST coating looked very good. He stated that they did notice a few corrosion cells on the exterior of the tank that were not associated with the interior coating. Mr. Gerould stated that he spoke with the contractor about getting those areas cleaned and coated and asked them to coordinate with Inframark for access to the plant for inspection. He stated that the cost is anticipated to be between \$1,000 and \$1,500 to fix the areas.

Mr. Gerould reported on the sanitary sewer flow measurements. He stated that IDS contacted ADS Environmental regarding the sanitary flow measurements and they are looking over the maps of the District's system. Mr. Gerould stated that ADS believes in order to get usable

results, the system would have to be split into several sub basins, so they are determining how many metering points would be needed.

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 Engineer's report, authorize final payment for the Sanitary Sewer Rehabilitation at a cost of \$42,657.50, authorize payment for one-half of the cost of repairs made on the interconnection with MUD 153, and approve going forward with design and solicitation of bids for the sidewalks.

15. **Approve Consent to Encroachment requested by Karen Armour.** Mr. Gerould stated that Ms. Karen Armour with Courthouse Direct has requested a consent to encroachment for a monument sign that encroaches within a sanitary sewer easement that was dedicated to the District. He stated that the easement does not currently have a sanitary sewer line in it and there are no plans to construct a sewer line in it. Mr. Gerould stated that he does not have any objections to granting their request for an encroachment.

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 encroachment.

16. **Appointment of Representative to the Atascocita Flood Prevention Projects Committee.** 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 Gutierrez as the representative to the Atascocita Flood Prevention Projects Committee.

17. **Discuss Interconnect with HCMUD No. 153.** This item was deferred to next month.

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

19. **Discuss and take necessary action in connection with District website.** Director Galeucia reported on usage.

20. **Report on AWBD Conference.** The President reported that no one from the District was able to attend the Mid-Winter conference on January 25, 2019. Discussion ensued regarding the Board attending the Annual conference in June 2019. There was no action taken at this time.

21. **Other Reports.** There were no other reports.

22. **Executive Session pursuant to Section 551.071 of the Open Meetings Act to have the private consultation with the District's Attorney on a matter in which the duty of the attorney to the governmental body under the Rules of Professional Conduct require confidentiality.** 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 enter into executive session at 1:05 p.m. pursuant to Section 551.071 Texas Gov't Code, to confer with their attorney on a matter in which the duty of the attorney to the governmental body under the Rules of Professional Conduct requires confidentiality. At this time all members of the public and consultants left the meeting, leaving the Board members, Ms. Ellison, Ms. Horton, Mr. Jenkins, and Mr. Jones.

23. **Return to Open Session.** Upon motion by Director Galeucia, seconded by Director Gutierrez, after full discussion and the question being put to the Board, the Board voted unanimously at 1:15 p.m. to enter into open session. At this time the President announced that the meeting was open to the public and the doors were opened.

24. **Any Action in Connection With the Claims Against the District.** Upon motion by Direct Bezdek, seconded by Director Galeucia, after full discussion and the question being put to the Board, the Board voted unanimously to notify the District's insurance carrier of the claims of Mr. Armando Almeid for compensation prior to taking any further action with respect to such claims and to notify Mr. Almeid of the Board's decision to refer the matter to its insurance carrier.

The meeting was adjourned at approximately 1:15 p.m.

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, 27th, 2019.



President, Board of Directors



Secretary, Board of Directors

(DISTRICT SEAL)