

MINUTES OF MEETING OF BOARD OF DIRECTORS  
March 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, March 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 Bezdek. 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, 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. Allen DeJonge of 1190 Designs, web manager for the District; Mr. Josh Hargrave of HARCO Insurance, insurance agent for the District; Mr. Juan Cortina, resident of the District; 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 the special meeting minutes of February 20, 2019 and the regular meeting minutes of February 27, 2019.** The Board considered the proposed minutes of the special meeting of February 20, 2019 and the regular meeting of February 27, 2019, previously distributed to the Board. 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 minutes of the special meeting of February 20, 2019 and the regular meeting of February 27, 2019, as presented.

2. **Public Comments.** The President recognized Mr. DeJonge, who reported on the visits to the District's website. He said 61 people had signed up for email alerts. Discussion ensued regarding the website. The Board thanked Mr. DeJonge and he left the meeting.

Director Gutierrez introduced Mr. Cortina to the Board and noted that he is a member of the Atascocita Woods Homeowners Association Board. Mr. Cortina stated he was attending the District's meeting as a District resident.

The President then recognized Ms. Ellison, who read a letter to the Board received from District resident, Mr. Armando Almeida, concerning 6722 Dawn Star Drive, a copy of which is attached hereto as *Exhibit "B."*

3. **Discuss Dedicating Water Plant 1.** The President reported that the event is on schedule and Director Bezdek will provide more details at the District's April meeting.

4. **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 February 2019, a copy of which is attached hereto as *Exhibit "C."* Mr. Fortner noted that 95.78% of the District's 2018 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 3984 to 3994 from the Tax Account to the persons, in the amounts, and for the purposes listed in the report.

5. **Consider District Insurance.** The President recognized Ms. Ellison, who stated that NRF had solicited proposals from three insurance providers and only Harco was interested. The President then recognized Mr. Hargrave, who presented to and reviewed with the Board the HARCO Insurance Services renewal proposal, a copy of which is attached hereto as *Exhibit "D."* Mr. Hargrave discussed the coverage provided. After a discussion, the Board thanked Mr. Hargrave and he left the meeting.

Upon motion by Director McMinn, seconded by Director Gutierrez, 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.

6. **Adopt Resolution Authorizing Indemnification of Directors.** Ms. Ellison reviewed with the Board a Resolution Authorizing Indemnification of Directors, a copy of which is attached hereto as *Exhibit "E."* Ms. Ellison stated that the Board takes action each year in connection with renewal of the District's insurance policy to indemnify Directors for losses not otherwise covered by insurance and which result from the directors carrying out the lawful business of the District in good faith.

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 indemnification of the District's Directors.

7. **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 "F."* Ms. Kay presented 20 checks and 9 deposit refunds for the Board's approval.

Ms. Kay reported on check no. 9294 to Harris County Municipal Utility District No. 149 in the amount of \$73.00 to reimburse it for a deposit made to the District in error.

Ms. Kay noted the District's proposed budget for the fiscal year ending May 31, 2020 will be presented at the April meeting.

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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check

numbers 9278 through 9297 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

8. **Discuss allocation of SPA moneys.** The President recognized Mr. Fortner, who presented to and reviewed with the Board the Sales and Use Tax Administration Report for March 2019, a copy of the which is attached hereto as *Exhibit "G."*

Mr. Fortner reported that one permit, which is currently inactive, is not reflected as such on the 2018 Business List. He noted that the District is not receiving funds from this entity.

Mr. Fortner reported that he notified the Comptroller of three businesses that were not included on the 2018 Business list. He stated that he awaiting a response from the Comptroller on any sales tax payable to the District. The Board thanked Mr. Fortner and he left the meeting.

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 February 2019, a copy of which is attached hereto as *Exhibit "H."*

Mr. Jenkins reviewed the Major Maintenance Summary for February 2019, a copy of which is attached to the Operations Report.

Discussion ensued regarding the proposal to convert the District's water plants from a chlorine system to a bleach system. Mr. Gerould presented to the Board a chlorine to bleach cost analysis, a copy of which is attached the Operations Report.

The Board discussed ways of improving security at the plants. The Board asked Mr. Jenkins to get quotes for replacement of the fence at Water Plant #2. The Board agreed to table the discussion until the April meeting.

Upon motion by Director Galeucia, seconded by Director McMinn, 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 \$156.69 to collections, write-off accounts with an aggregate balance of \$53.21, and terminate the delinquent accounts in accordance with the Rate Order.

10. **Review Drought Contingency Plan.** Ms. Ellison presented to and reviewed with the Board the Resolution Reviewing Drought Contingency Plan, a copy of which is attached hereto as *Exhibit "I."* She stated no changes are being recommended at this time.

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 Resolution.

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. Cortina left the meeting at this time.

Mr. Gerould stated there are no updates on the HCMUD No. 153 ("MUD 153") Interconnect on W. Lake Houston Parkway (South).

Mr. Gerould reported on the MUD 153 Interconnect on W. Lake Houston Parkway (North). He stated that MUD 153's engineer said the Board was open to keeping the one valve to separate the systems and abandoning the metering station. Mr. Gerould stated that currently, the metering station is working so there is no immediate need to try and isolate the systems, and he does not know if MUD 153 is interested in pursuing the project now or waiting until a failure in the current equipment. Mr. Gerould stated that at the time the systems are separated, the operator for each district could go in and plug off their respective lines. He informed the Board that the water to several District customers will have to be shut off when the systems are isolated. Mr. Gerould suggested that planning the outage for night time rather than business hours might make more sense.

Mr. Gerould reported on Water Well No. 1 at Water Plant No. 1, stating that the water well has been pulled, the contractor has videoed the well, and has written their recommendations for rehabbing the well. He stated that the contractor's first pay request in the amount of \$8,685.00 is attached to his report and that IDS has reviewed the application and is recommending payment to the contractor.

Mr. Gerould reported that IDS did some research on chlorine gas, which he presented to the Board.

Mr. Gerould reported on the sidewalks at Timbers Elementary School. He stated that IDS has started preparing the plans for submittal to Harris County for approval.

Mr. Gerould reported on the sanitary sewer flow measurement project. He said that ADS Environmental sent back their original schematic showing eight meters and two rain gauges with a price of \$48,000 for a 60 day study. Mr. Gerould stated that he has asked for some revisions because some of the locations they selected would measure combined flow from MUD 153 and MUD 494. He stated that the revisions should require fewer meters which should decrease the cost.

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

Upon motion by Director McMinn, 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. **Discuss Water Plant Security.** This item was previously discussed during the Operators report.

13. **Discuss Interconnect with HCMUD No. 153.** This item was previously discussed during the Engineers report.

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

15. **Discuss and take necessary action in connection with District website.** Director Galeucia stated that he will follow up with Mr. DeJong about additional information to add to the District's website.

16. **Other Reports.** Director Gutierrez reported that the District is not eligible for the TXDOT Federal Safe Routes to School (SRTS) Program because the District does not have a full time employee to manage the project.

Mr. Jenkins asked the Board about whether it wanted to proceed with the repairs recommended in the Fire Hydrant Inspection & PM Report presented during the February meeting. Discussion ensued. 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 repairs recommended in the Fire Hydrant Inspection & PM Report at an estimated cost of \$54,250.

17. **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 Gutierrez, after full discussion and the question being put to the Board, the Board voted unanimously to enter into executive session at 12:34 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, and Mr. Jenkins.

18. **Return to Open Session.** Upon motion by Director Galeucia, seconded by Director McMinn, after full discussion and the question being put to the Board, the Board voted unanimously at 12:51 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.

19. **Any Action in Connection With the Claims Against the District.** Upon motion by Direct McMinn, seconded by Director Gutierrez, after full discussion and the question being put to the Board, the Board voted unanimously to make a claim for indemnification under its agreement with Inframark and to request that Inframark defend and indemnify it against any and all claims from Mr. Almeida relating to damages to his lot and home. A copy of the letter is attached hereto as *Exhibit "K."*

The meeting was adjourned at approximately 12:55 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 April 24, 2019.

  
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President, Board of Directors

  
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Secretary, Board of Directors

(DISTRICT SEAL)