

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 22, 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, May 22, 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. 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 of Inframark, LLC ("Inframark"), operator for the District; Mr. Brian Gerould of IDS Engineering Group ("IDS"), engineer for 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 minutes of the regular meeting of April 24, 2019 and special meeting of May 17, 2019.** The Board considered the proposed minutes of the regular meeting of April 24, 2019 and the special meeting of May 17, 2019, previously distributed to the 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 minutes of the regular meeting of April 24, 2019 and the special meeting of May 17, 2019, as presented.

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

3. **Discuss Dedicating Water Plant 1.** Director Bezdek reported that he is having difficulty contacting Mr. Doug Walker and Mr. Kelly Cline to inform them of the ceremony and to confirm their attendance. He stated that the ceremony is still scheduled for the end of May.

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 April 2019, a copy of which is attached hereto as *Exhibit "B."* Mr. Ahlschlager noted that 97.47% of the District's 2018 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 4001 to 4007 from the Tax Account to the persons, in the amounts, and for the purposes listed in the report.

5. **Review Bookkeeper's Report, approve investment report, and authorize payment of bills.** The Board reviewed the Bookkeeper's Report, investment report, and a report on District deposits and pledged securities, copies of which are attached hereto as *Exhibit "C."* This report included 17 checks and 6 deposit refunds for the Board's approval.

Director Galeucia asked that the consultants prepare a summary of their report for the Board if they expect to be absent.

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 Bookkeeper's Report, to accept the Investment Report, and to authorize payment of check numbers 9315 through 9333 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

6. **Approve budget for fiscal year ending May 31, 2020.** The Board reviewed a draft budget for fiscal year ending May 31, 2020, a copy of which is attached to the Bookkeeper's Report. Discussion ensued regarding the budget line items.

The President asked the engineer to prepare a projection of expected capital expenditures for the District's long range planning.

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 budget for fiscal year ending May 31, 2020, as presented.

7. **Discuss allocation of SPA moneys.** Ms. Ellison presented to and reviewed with the Board an Interlocal Agreement with Humble ISD for the construction of sidewalks on property near Timbers Elementary School and the installation of weather stations at Timbers Elementary School, Atascocita Middle School, and Atascocita High School, a copy of which is attached hereto as *Exhibit "D."*

A. **Sidewalks.** Mr. Gerould informed the Board that he is waiting for approval of the project from Harris County.

B. **Weather Stations.** Director Gutierrez requested that the weather station data be transmitted to the District's website.

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 approve the Interlocal Agreement with Humble ISD for the construction of a sidewalk on property near Timbers Elementary School and the installation of weather stations at Timbers Elementary School, Atascocita Middle School, and Atascocita High School.

8. **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 April 2019, a copy of which is attached hereto as *Exhibit "E."*

Mr. Jenkins reviewed the Major Maintenance Summary for April 2019, a copy of which is attached to the Operations Report. He provided an annual report on identity theft protection.

Mr. Jenkins informed the Board that the owner of Berkley's Eye Center notified Inframark that they have been unable to get their permits from Harris County. Mr. Jenkins stated that Inframark responded with a letter stating that the meter will not be installed until the proper permits are provided in accordance to the District's Rate Order.

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 approve the Operations Report, to authorize accounts in the aggregate amount of \$699.65 be sent to collections, and to terminate the delinquent accounts in accordance with the Rate Order.

9. Approve Consumer Confidence Report. The President recognized Mr. Jenkins, who reviewed with the Board the Consumer Confidence Report ("CCR"), a copy of which is attached to the Operations Report.

The Board requested that a copy of the report be posted on the District's website as well as on Inframark's website.

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 CCR.

10. Authorize replacement of water plant lights. The President recognized Mr. Jenkins, who presented two proposals for the replacements of lights at Water Plants No. 1 and No. 2, respectively, copies of which are attached to the Operations Report. The first proposal is to replace the pole and incandescent lamps with LED lamps at Water Plant No. 1 for \$1,450. The second proposal is to replace the pole and wall pack units with LED lamps at Water Plant No. 2 for \$850. 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 proposals as presented.

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 "F."*

Mr. Gerould reported on the Harris County Municipal Utility District No. 153 ("MUD 153") interconnect on W. Lake Houston Parkway (North). He stated that he met with Mr. Jenkins on-site to discuss the abandonment of the interconnect metering station and they came up with a plan for the process. He stated that Inframark will present a cost estimate at the next District meeting.

Mr. Gerould advised the Board that the District has a 24-inch water line under FM 1960 which it does not need. He presented a letter of abandonment requested by engineers for Texas Department of Transportation ("TxDOT"), a copy of which is attached the engineer's report. He stated that the letter is ready for execution.

Mr. Gerould reported that the contractor working on Water Well No. 1 at Water Plant No. 1, has set the pump and will be setting the motor Wednesday. He stated that they will begin flushing and collecting the three day bacteriological samples after that. He estimated that assuming the samples are satisfactory, the well should be back on-line Tuesday.

Mr. Gerould reported on the sidewalks project on Lonesome Woods Trail and Long Trace Drive. He stated that IDS has requested bids from three contractors and two have submitted proposals. Mr. Gerould presented to the Board a tabulation of the bids received. He informed the Board that as discussed at the District's special meeting held on May 17, Harris County has requested some construction plan changes to address other portions of sidewalk in the vicinity of the project that would not be ADA compliant under today's standards.

Mr. Gerould stated that he is waiting on a return call from Brannan Hicks, who is the manager of the transportation and planning group with Harris County, to discuss the comments because many of them would affect not only this project, but other similar projects in the future the Board may consider. He stated that if the District were to address some but not all the comments, then the price would increase to approximately \$68,000 using the unit cost from the bids; however, if the District addressed all their comments the price would increase to approximately \$93,000 using the unit costs of the bid. Discussion ensued and the Board decided to defer presenting the Interlocal Agreement to Humble ISD until the permit issue is resolved.

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

Upon motion by Director Gutierrez, seconded by Director McMinn, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's report and authorize the letter of abandonment.

12. **Discuss and take necessary action regarding the District's rate order regarding tap fees.** Discussion ensued regarding the tap fee for the TRNG senior living center. The Board decided that the rate order that was in effect when the project started should be applied to the project and not to change the current rate order. 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 apply the rate order that was in effect when the senior living center began construction to the project, resulting in a tap fee equal to 120% of the cost of installation of the tap.

13. **Discuss Water Plant Security.** The President opened discussion to water plant security. 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 table the discussion.

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

Director Bezdek left the meeting at this time.

15. **Discuss Flood Preparedness Information.** The President opened discussion regarding flood preparedness information received from the Lake Houston Area Chamber. Director Gutierrez confirmed that this information was posted on the District website. Discussion ensued. The Board asked that the intersection of Fountain Lily and Hot Creek Trace be added to the televising project.

16. **Discuss and take necessary action in connection with District website.** There was no action taken at this time.

17. **Arbitrage Rebate & Yield Restriction Compliance Report.** Ms. Ellison reviewed with the Board an Arbitrage Rebate and Yield Restriction Compliance Report, a copy of which is attached hereto as *Exhibit "G."* She said no action was required.

18. **Discuss bond refunding.** Ms. Ellison stated that current rates are low and the District may have a refunding opportunity in the future. There was no action taken at this time.

19. **Other Director or Consultants Reports.** Director Gutierrez invited the Board to walk along the ditch with the Harris County Flood Control District on June 10 at 9 a.m.

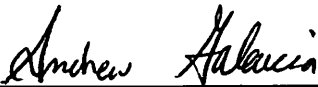
THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The above and foregoing minutes were passed and approved by the Board of Directors on June 26, 2019.



President, Board of Directors



Secretary, Board of Directors

(DISTRICT SEAL)