

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153  
APRIL 18, 2018

THE STATE OF TEXAS §  
COUNTY OF HARRIS §  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153 §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 153 (the "District") met in regular session, open to the public, at the offices of Norton Rose Fulbright US LLP, 1301 McKinney St., Ste. 5100, Houston, Texas 77010, at 11:30 a.m. on Wednesday, April 18, 2018, whereupon the roll was called of the members of the Board, to-wit:

Sam Claytor, Jr., President  
Rick Soliz, Vice President  
Ed Cocetti, Secretary  
Ed Wilcox, Assistant Secretary  
Allen Roe, Assistant Secretary

All members of the Board were present, except Directors Claytor and Wilcox. Also attending all or portions of the meeting were Messrs. Micah Burson and Caleb Burson of Accurate Meter & Supply; Mr. Mark Burton Municipal Financial Services and Municipal Accounts & Consulting LLP ("MA&C"), bookkeepers for the District; Ms. Barbara Nussa of Republic Services; Mr. Mike Williams of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Mr. Matt Froehlich of BGE, Inc. ("BGE"), engineers for the District; Ms. Michelle Guerrero of Bob Leared Interests, tax assessor-collector for the District; and Mr. Neil Thomas and Ms. Brenda Presser of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

The meeting was called to order and, in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as *Exhibit A*, the following business was transacted:

1. **Public Comments.** There were no public comments.
2. **Presentation from Accurate Meter & Supply.** Director Row discussed his interest in a presentation from Accurate Meter & Supply ("Accurate Meter"). Mr. Micah Burson introduced himself and Mr. Caleb Burson of Accurate Meter. He distributed and reviewed a proposal for replacement of the current mechanical meters with the digital Beacon AMA Polymer E-Series Meter, a copy of which is attached as *Exhibit B*. A model of the E-Series Meter was distributed for examination by the Board. Discussion ensued regarding apparatus software, software and website access, service fees, water conservation, and accountability. Mr. Micah Burson stated that the meters are powered by 20-year batteries and can be replaced at the meter. The Board asked Mr. Williams about the current cost to replace a mechanical meter. Mr. Williams stated that the replacement cost is approximately \$100 per meter and that about 200 meters are replaced annually. He also noted that about ten meters have been replaced because the readings have reached or exceeded 2,000,000 gallons. The Board further discussed options for changing the meters and a timeline to complete. No action was taken by the Board.
3. **Municipal Financial Services report on District enhancements.** Director Row recognized Mr. Burton reviewed recommendations for operation improvements as previously requested by the Board and attached as *Exhibit C*. Mr. Burton discussed implementing a longer

Capital Improvement Plan to determine expenses and proposed reserves for 10-15 years. Discussion ensued. Mr. Thomas asked the Board about adding an item to the agenda next month to discuss the Capital Improvement Plan and the Board concurred.

4. **Minutes of the meeting of March 21, 2018.** Minutes of the meeting of March 21, 2018, previously distributed to the Board, were presented for consideration and approval. Upon motion by Director Cocetti, seconded by Director Row, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes as presented.

5. **Tax Assessor and Collector's Report, status of delinquent tax accounts, and payment of bills.** Ms. Guerrero presented to and reviewed with the Board the Tax Assessor-Collector's Report for March, a copy of which is attached hereto as *Exhibit D*.

Ms. Guerrero reported that 97.4% of the District's 2017 taxes had been collected as of March 31, 2018.

Upon motion by Director Cocetti, seconded by Director Roe, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor-Collector's Report and to authorize the expenditures listed therein.

6. **Bookkeeper's Report, Investment Report, payment of bills, and take any necessary action.** Mr. Burton presented to and reviewed with the Board the Bookkeeper's Report and quarterly investment report, copies of which is attached hereto as *Exhibit E*. Mr. Burton reviewed disbursements from the General Operating Fund and the Special Revenue Fund.

Upon motion by Director Cocetti, seconded by Director Soliz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, and to authorize payment of the checks in the amounts and for the purposes listed therein.

7. **Developer's Report.** Mr. Froehlich reviewed the Developer Report and updated the Board on Harris County Municipal Utility District No. 494. In The Bridges on Lake Houston there are 292 occupied homes and 75 that are vacant or under construction.

Mr. Froehlich reported that the bookkeeper is adding in some older deposits by developers and the participants pro-rata share true-ups for the Water Plant No. 2, Lift Station No. 4, the expansion of the 152/153 Lift Station, the water and sewer extensions on West Lake Houston Parkway, and the addition of the third hydro-pneumatic tank at Water Plant No. 1. He stated that all of the participants are due refunds except, Mr. Wheless. Discussion ensued regarding deposit refunds and reimbursement upon determination of available surplus funds. No action was taken by the Board.

8. **Update on eminent domain proceeding for detention pond.** Mr. Thomas stated there are no updates.

9. **Engineer's Report, including review of Engineer's projects, and capital repairs.** Mr. Froehlich presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit F*.

Mr. Froehlich reviewed and discussed a report on the sanitary sewer investigation effort, noting that two of the six areas monitored during the flow monitoring reflect significant inflow/infiltration impacts during larger rain events. He stated that BGE recommends conducting video inspection on the two areas identified as 2 and 3 on the map attached to the Engineer's Report, along with smoke

testing on the sewer collection system in the eastern portion of Golfer's Village and identified as 6 on the map. He noted that area 6 has not been smoke tested. Mr. Froehlich presented and requested approval of a proposal for these efforts in the amount of \$48,076.00.

Mr. Froehlich reported that a resident on Arbor Pines hired a plumber to investigate and repair a proposed leak on their sewer line for a cost of approximately \$1,500.00. He stated that upon excavation it was determined the leak was actually on the neighbor's service line. The resident paid the plumber's invoice and is requesting the Board's consideration for reimbursement since the leak was not on his line. Mr. Froehlich reported that he has discussed this matter with the President Claytor who concurred that the resident receive reimbursement.

Mr. Froehlich discussed and reviewed photographs attached to the Engineer's Report regarding the deterioration of the Water Plant No. 1 GSTs.

Mr. Froehlich reported that seven bids were received for Water Plant No. 1 rehabilitation. He reported that BGE's experience with the low bidder indicated performance issues and that the bidder's bid would not be the most advantageous and economical bid for the District. Mr. Froehlich stated that financial statements, qualification and experience were reviewed for the bidders and that BGE recommended awarding the contract to the second lowest bidder, Corrosion Eliminators LLC, for \$356,146.

Mr. Froehlich confirmed receipt of authorization from Dr. Manon and Dr. Quentel for the transfer a total of 32 Equivalent Single Family Connections to Harris County Precinct 2 for the development of Atascocita Park.

Upon motion by Director Cocetti, seconded by Director Soliz, after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Engineer's Report; (2) approve a proposal from Compliance Envirosystems in the amount of \$48,076.00 to perform video inspections identified as 2 and 3 on the map and smoke testing on the sewer collection system in the eastern portion of Golfer's Village and identified as 6 on the map; (3) authorize reimbursement to resident on Arbor Pines for \$1,500.00 for repairs performed on his neighbor's sewer service line; and (4) approve the award of a construction contract the Corrosion Eliminators LLC for \$356,146.00 for Water Plant No. 1 Rehabilitation which, in the Board's determination after consultation with its engineer provided the most advantageous and economical bid to District.

**10. Atascocita Joint Operations Board ("AJOB") report.** Mr. Froehlich reported that the Board met last night and there are no updates to report.

**11. Operator's Report and hearing on delinquent accounts.** Mr. Williams presented to and reviewed with the Board the Operations Report, a copy of which is attached hereto as *Exhibit G*. He reported that the District billed 93.0% of its pumped water for the period ending March 20, 2018. Mr. Williams reviewed the Termination List and Uncollectible Accounts List included in the Operations Report.

Mr. Williams reviewed the delinquent list and requested that the Board authorize submitting two accounts for collection. He also requested the Board's authorization to send delinquent letters in accordance with the terms of the District's Rate Order.

Mr. Williams reported on a major water line break at Maplebrook Elementary School resulting in the replacement of a 24-inch main and included after-hours repairs. He stated the repair costs are estimated between \$20,000-\$30,000 and will be reflected in next month's bill.

Upon motion by Director Cocetti, seconded by Director Soliz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report, authorize submission of five accounts for collections, and to terminate delinquent accounts in accordance with the terms of the District's Rate Order.

12. **Discuss agreement with Walden On Lake Houston Community Services Association.** The Board discussed the status of the agreement with the HOA regarding the District's contribution to the costs for the HOA to contract with Harris County Constables Precinct 4 for an additional officer. Mr. Thomas stated that Kim Spurlock is preparing the document and, upon receipt, he will review and bring to the Board next month.

The Board discussed the request from the HOA to pay for one-half of the cost of a bid approved by the HOA for playground equipment, a copy of which is attached as *Exhibit H*. The District's cost would be approximately \$101, 300.00. Discussion ensued and it was the consensus of the Board to defer action pending full attendance and participation of all directors.

13. **Vote proxy for the Build America Mutual Assurance Company Annual Meeting.** Mr. Thomas reported that the District has an insurer on its bonds and they have asked the District to vote on a slate of incumbent officers. Discussion ensued and it was the consensus of the Board to decline to vote.

14. **Other matters.** No report.

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

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The foregoing minutes were passed and approved by the Board of Directors on May 16, 2018.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

