

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153  
August 15, 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, August 15, 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 Cocetti, thus constituting a quorum. Also attending all or portions of the meeting were Ms. Barbara Nussa of Republic Services; solid waste and recycle services for the District; Mr. Mark Cervantes of Van De Wiele & Vogler, Inc., engineer for Merrylands Interests; Mr. Hector D. Martinez of Academy Development; Messrs. Caleb Burson and Micah Burson of Accurate Meter & Supply; Mr. Cory Burton of Municipal Accounts & Consulting LLP ("MA&C"), bookkeepers for the District; Mr. Mike Williams of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Mr. Matt Froehlich and Ms. Shiann Hernandez of BGE, Inc. ("BGE"), engineers for the District; Ms. Stephanie Hendershot 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. **Minutes of the meeting of July 18, 2018.** Minutes of the meeting of July 18, 2018, previously distributed to the Board, were presented for consideration and approval. Upon motion by Director Roe, seconded by Director Wilcox, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes as presented.
3. **Badger Meter, Beacon AMA Managed Solution Master Agreement.** Vice President Soliz recognized Mr. Caleb Burson who asked the Board if there were any questions regarding the previous presentation for replacement of the District's current meters with smart meters. The Board inquired about the order, delivery, and installation timeline. Mr. Burson reported that the entire process takes approximately three to six months to fully transition, including the billing disposition. He anticipates a start date in early September and door hangers will be distributed to District customers to provide contact information for requesting set-up instructions and access issues. Mr. Burson offered a training event in the community to

assist customers with the new product and also stated that he will attend the District's monthly meetings from time to time to provide the Board with progress updates. The Board requested that MoC put an item on the District's bills about the replacement of meters. Upon motion by Director Roe, seconded by Director Wilcox, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Badger meter Beacon AMA Managed Solution Master Agreement and authorize them to proceed with replacement of the District's current meters.

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

Ms. Hendershot reported that 99.1% of the District's 2017 taxes had been collected as of July 31, 2018.

Ms. Hendershot reviewed the Delinquent Tax Report as of August 15, 2018, a copy of which is attached as *Exhibit B-1*.

Upon motion by Director Roe, seconded by Director Wilcox, 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.

**5. Review Investment Policy and accept related party disclosures from bookkeeper and investment officer.** The Board reviewed a Resolution Reviewing Investment Policy and Making any Desirable Changes Thereto (the "Resolution"), a copy of which is attached hereto as *Exhibit C*. Mr. Thomas stated the District is required to annually review its Investment Policy and that NRF does not recommend changes to the District's current policy. Upon motion by Director Soliz, seconded by Director Wilcox, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution as presented, and to accept the related disclosures from the bookkeeper and investment officer.

**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 are attached hereto as *Exhibit D*. Mr. Burton reviewed disbursements from the General Operating Fund and the Special Revenue Fund. Director Soliz discussed the \$25,000 listed in the budget for participation in community projects. Mr. Thomas stated that the amount listed is a budgetary number and the Board is not restricted by the budget.

Mr. Burton presented a Resolution Regarding Bookkeeper's Accounts as discussed last month for management and payment of invoices that come due between meetings to avoid late fees and holding checks. Discussion ensued.

Upon motion by Director Roe, seconded by Director Wilcox, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, to authorize payment of the checks in the amounts and for the purposes listed therein, and to approve the Resolution Regarding Bookkeeper's Accounts, a copy of which is attached as *Exhibit E*.

**7. Developer's Report.** Ms. Hernandez reviewed the Developer Report, which is attached to the Engineer's report, attached as *Exhibit F*.

Mr. Thomas reported that Merryland's development is required to build a detention facility and that the only access is through Harris County Municipal Utility District No. 494 ("494"). He said that 494 has concerns about potential harmful incidents that could implicate 494 in a lawsuit. He discussed a three-party maintenance contract between 494, the maintenance contractor and the District in which each entity will be responsible for oversight of its facilities. No action was requested of the Board.

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

Ms. Hernandez updated the Board on the status of Water Plant No. 1 Rehabilitation. She requested approval of Pay Estimate No. 2 to Corrosion Eliminators, LLC for \$19,383.93.

Ms. Hernandez presented for approval a utility capacity commitment to Terra Associates for a 350-unit multi-family development on behalf of Mr. and Mrs. Scott Schovajsa.

Ms. Hernandez reported that the Storm Water Quality Permit at Water Plant No. expires on October 10, 2018. She presented and requested authorization for execution of the permit renewal application documents for the Storm Water Quality feature at Water Plant No. 1.

Upon motion by Director Roe, seconded by Director Wilcox, after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Engineer's Report; (2) Pay Estimate No. 2 in the amount of \$19,383.93 to Corrosion Eliminators, LLC.; (3) approve a utility capacity commitment letter to Terra Associates for a 350-unit multi-family development on behalf of Mr. and Mrs. Scott Schovajsa; and (4) authorize execution of the Storm Water Quality permit renewal application for Water Plant No. 1.

**9. Atascocita Joint Operations Board ("AJOB") report.** There was no report to present to the Board.

**10. 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% of its pumped water for the period ending July 19, 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 writing off three accounts as uncollectible. He also requested the Board's authorization to send delinquent letters in accordance with the terms of the District's Rate Order.

Upon motion by Director Roe, seconded by Director Wilcox, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report; to terminate the delinquent accounts in accordance with the District's Rate Order, and to authorize sending three accounts to the uncollectible roll.

**11. Republic Services Report, and take appropriate action.** Vice President Soliz recognized Ms. Nussa, who asked the Board if there are any further comments or revisions to the flyer for distribution to customers regarding recycling, a copy of which is attached as *Exhibit H*.

She presented and requested approval of an Amendment to Municipal Contract regarding a temporary increase to the District's current contract. Pursuant to last month's discussion, she reported an increase of \$0.53 per home resulting in an increased cost of \$4.03 per home for recycling services for a six month period, which will revert back to the District's original contract at the end of the six months.

Upon motion by Director Wilcox, seconded by Director Roe, after full discussion and the question being put to the Board, the Board voted unanimously to approve the flyer regarding recycling cost increase for distribution to customers and to approve the Amendment the Municipal Contract with Republic Services for increased recycling costs for six months.

12. **Security Contribution Agreement for the Reimbursement of Law Enforcement Services.** Mr. Thomas reported that the HOA has deferred the District's contribution pending annual renewal for its agreement with Harris County Constables Office, Precinct 4. Discussion ensued regarding partnering with the HOA or having a separate agreement between the District and Harris County Constables Office, Precinct 4. No action was taken on this discussion.

13. **Agreement for Shared Costs for Recreational Facilities.** Mr. Thomas reported that the HOA's attorney has notified him that the HOA has decided to forgo the agreement and declines the District's a contribution for recreational facilities. Discussion ensued on improving relations with community entities for partnerships on projects that will enhance community facilities and value.

14. **Discuss Flood Control Canal maintenance and improvements.** Director Roes discussed improvements and suggested phasing projects for maintenance and implementation of hiking/biking trails. He reported on a letter to Harris County Flood Control District and stated the county will allow reimbursement to the District for three cuttings per year. Discussion ensued regarding the current condition of the canal relating to flow and debris issues. Director Roe discussed a quantitative estimate cost for routine maintenance and a one-time clean out. Mr. Froehlich stated that he will reach out to Project Managers to put together cost quantities for the District.

15. **Other matters.** No other matter were brought before the Board.

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

\* \* \*

The foregoing minutes were passed and approved by the Board of Directors on September 19, 2018.

*[Handwritten Signature]*  
Vice President, Board of Directors

ATTEST:

*[Handwritten Signature]*  
Secretary, Board of Directors

