

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 150
February 19, 2019

The Board of Directors ("Board") of Harris County Municipal Utility District No. 150 ("District") met at the Board's meeting place at 13563 Bammel North Houston, Houston, Harris County, Texas, on February 19, 2019, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

Robert M. Cadena, President
Shirley Adams, Vice-President
Roosevelt Johnson, Secretary
Charlotte M. Mays, Assistant Secretary
Oliver M. Agard, Assistant Vice President

and all of said members were present, thus constituting a quorum.

Also present were Joseph Bowen, Sharon Taylor, Rebecca Joseph and Bernadette Baker of the public; Marian Henderson, Debra Johnson, Sonnier Washington and Cordelia Brown of Harris County Municipal Utility District No. 217 ("HCMUD 217"); Ms. Rene Andell of Wheeler & Associates, Inc. ("W&A"); Carol Morrison of Municipal Accounts & Consulting, L.P. ("MAC"); Deputy Davis, Deputy Russell and Deputy Sanders of Harris County Sheriff's Office ("HCSO"); Paul Villareal of Water Wastewater Management Services, Inc. ("WWWMS"); Alene Efaw of BGE; Mark White of Southern Concrete Raising ("SCR"); and Kara Richardson and Ryan Ashcraft of Marks Richardson PC ("MRPC").

The President called the meeting to order at 6:00 p.m.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meetings held on January 10, 2019 and January 15, 2019. After discussion, Director Agard made a motion to approve the minutes of the meetings of January 10, 2019 and January 15, 2019, as presented. Director Johnson seconded the motion, which carried unanimously.

PUBLIC COMMENT

The Board next considered comments from the public. Ms. Taylor thanked the Board for its support with the proposed sidewalk along Walters Road. Ms. Richardson stated that Mr. Ashcraft in her office attempted to contact the attorney for HCMUD 217 regarding the matter but has not yet received a response. Director Cadena requested that MRPC also contact the attorneys for Harris County Municipal Utility District No. 5 to see if they might be interested in participating in the project.

CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY (“CHCRWA”)

The Board next considered the status of the CHCRWA. Mr. Villarreal stated that the CHCRWA is considering the use of smart meters to meter the water supplied to member districts and is currently investigating the feasibility of same.

REVIEW AND APPROVE ESTIMATE FROM SOUTHERN CONCRETE RAISING (“SCR”)

The Board next considered the review and approval of a cost estimate from SCR. Mr. White of SCR presented and reviewed the attached cost estimate to raise the building at the WWTP for \$9,899.00. He stated that SCR will install steel beams and sixteen (16) bell bottom piers to lift and support the building. He also noted that the work will have a lifetime warranty. Director Agard noted that the proposed agreement does not appear to contain a lifetime warranty. Mr. White stated that he will add the lifetime warranty information to the agreement. Ms. Richardson stated that she previously sent comments and revisions to the proposed agreement to Mr. Villarreal. After discussion, Director Adams made a motion to approve the proposal from SCR to raise the building for \$9,899.00, subject to contract review and approval by MRPC. Director Mays seconded the motion, which unanimously carried.

SECURITY PATROL SERVICES

The Board next considered District security patrol services. Deputy Russell reported on recent activity in the District. Director Johnson stated that people are still soliciting in the neighborhoods despite the “no soliciting” signs that have been posted. Deputy Russell reported the following: 1) people are still attempting to sell ice cream out of the back of their trucks, but the HCSO is attempting to prevent same; 2) a car crashed into the Cricket Wireless store causing damage; 3) he made a DWI arrest in the Northcliffe Manor neighborhood; 4) the HCSO apprehended a juvenile who was attempting to set the Dairy Queen on fire; and 5) there was a shooting this past weekend at the Camden Park Apartments. Director Adams stated that there was also a shooting on FM 1960 and Bammel Road. Mr. Bowen stated that he called the HCSO dispatch and the dispatcher seemed rushed to end the phone call and get off the phone. Deputy Russell stated that he will follow up on the matter to make sure it does not happen again.

DISTRICT WEBSITE MAINTENANCE

The Board next considered a discussion on the status of the District’s website. Director Mays stated that she contacted Apollo IT Consulting regarding an addition to the District’s website and has not yet received a response.

GARBAGE COLLECTION MATTERS

The Board next considered a discussion on garbage collection matters. Director Cadena noted that he asked MRPC to reach out to Best Trash to ask about placing the new decals on the trash bins. Ms. Richardson noted that she reached out to Matthew May who told her that he would look into the matter. The Board requested that MRPC contact Best Trash again to follow up on the status of the stickers.

LANDSCAPING MAINTENANCE MATTERS

The Board next discussed the landscaping maintenance services by Yellowstone Landscape (“Yellowstone”), including the approval of a rate increase for landscape maintenance services. Ms. Richardson presented the attached, revised pricing list from Yellowstone which reflects an increase on the per visit price for an annual contract total of \$22,377.96. After discussion, Director Agard made a motion to approve the rate increase from Yellowstone for an annual contract total of \$22,377.96. Director Adams seconded the motion, which unanimously carried.

Director Cadena stated that he is still working on obtaining homeowners’ consents for the proposed tree/vegetation removal work to be completed at various homes located adjacent to the WWTP. He stated that thus far he has only received a consent from one (1) homeowner.

The Board next considered approval of a proposal from Yellowstone to replace photinia plants at Water Plant No. 1 for a total of \$900. Director Agard stated that he would like to inspect the existing shrubs at the Water Plant No. 1 before approving the replacement. The Board deferred action on the matter at this time.

SECURITY PATROL SERVICES

The Board next discussed the logistics and feasibility of the District building a facility for use by the HCSO. The Board discussed how to pay for the costs associated with the building, what type of building to build, the pros and cons of a storefront building, and the legal restrictions involved. Director Cadena noted that an area MUD built a HCSO storefront on Fallbrook Road and that Ms. Richardson might contact that district to find out more information.

TAX ASSESSOR-COLLECTOR’S REPORT

Ms. Andell presented the attached Tax Assessor-Collector's report for the month of January. The Board reviewed the report and noted that the District collected 92.35% of its 2018 taxes through January 31, 2019. The Board next reviewed the attached Delinquent Collections List as of January 31, 2019, as prepared by W&A. Director Cadena asked about sales tax revenue and when the next sales tax audit is due. Ms. Andell stated that she will contact SRI to inquire. Director Agard next asked various questions regarding the tax account, delinquent collections listings and the various codes listed on the report. After review and discussion, Director Johnson made a motion to approve the report and to authorize payment on the Tax Account for check nos. 3988 through 4000, inclusive, and two (2) wire transfers, as identified in the report. Director Mays seconded the motion, which carried unanimously.

REPORT ON DELINQUENT TAXES

Ms. Andell next reviewed the attached report dated February 19, 2019, which had been prepared by the District’s delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott

L.L.P (“Perdue”). She stated that she will request that Mr. Carl Sandin of Perdue attend the next Board meeting.

GRANT EXEMPTIONS FROM TAXATION

Ms. Richardson next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution and Section 11.13 of the Tax Code. After discussion, Director Agard made a motion that 1) the District grant an exemption of \$50,000 of the appraised value of residence homesteads for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2019, and 2) the District grant a 20% residential homestead exemption for the year 2019, and 3) the Board approve and adopt the attached Resolution relative to same. Director Johnson seconded the motion, which carried unanimously.

REVIEW OF DROUGHT CONTINGENCY PLAN

The Board next deferred consideration of the review of the Drought Contingency Plan and any updates in connection therewith until next month’s meeting. Ms. Richardson stated that she will send a copy of the CHCRWA’s drought contingency plan to the Board for review.

DISCUSS COLLECTION OF BACKCHARGES RELATED TO LINE DAMAGE ON VETERANS MEMORIAL DRIVE

The Board next discussed the collection of backcharges related to line damage on Veterans Memorial Drive. Mr. Ashcraft stated that MRPC sent a demand letter to BMF Drilling, LLC on January 30, 2019, requesting payment of the backcharges and that payment has not yet been received. The Board requested that MRPC send a final demand letter to BMF Drilling, LLC regarding the matter and that if no response is received, the District will proceed with a lawsuit to collect same.

OPERATOR’S REPORT

Mr. Villarreal next presented the attached report from WWMS dated February 19, 2019 and reviewed same with the board.

Director Cadena asked about the legality of presenting the list of delinquent accounts at the Board meetings. Ms. Richardson noted that if customers elect to keep their information private when they first set up service, the District may not include their information on a list distributed at an open meeting. She then asked Mr. Villarreal if the account application form provides an option for customers to keep their information confidential. Mr. Villarreal stated that he is not sure if the application contains such option, but that he will investigate same. The Board then directed WWMS to stop distributing the delinquent reports at Board meetings but to continue to email the reports to the Board members and attorney.

Mr. Villarreal reported that WWWWMS recommends installing an eye wash station at Water Plant Nos. 1 and 2. He reviewed the attached cost estimate from Grainger for \$938.07 per station.

Mr. Villarreal reported that WWWWMS recommends upgrading the air compressor at Water Plant Nos. 1 and 2. He reviewed the attached cost estimate from Grainger for \$1,601.96 for each compressor. Mr. Villarreal stated that he would like to obtain additional quotes for the Board's review at next month's meeting.

Mr. Villarreal reported that WWWWMS is waiting on National Fence to install the automatic gate openers at Water Plant Nos. 1 and 2.

Mr. Villarreal reported that the air line and conduit installation to the hydropneumatic tank at Water Plant No. 2 is now complete. He then presented and reviewed a quote from JP Morin for probe housing, plumbing and sight glass replacement for \$9,679.00, installation of an enclosure for the site glass and probes for \$9,570.00 and installation of receptacles inside enclosures for \$2,719.85. He stated that he will coordinate with Ms. Efaw regarding the matter and would like to obtain additional quotes for review at the next meeting.

Mr. Villarreal reported that a vehicle damaged a fire hydrant on Antoine Drive and that WWWWMS responded to the call and closed the main valve to the fire hydrant. He stated that the water line was then plugged, and the fire hydrant relocated across the street. Mr. Villarreal stated that the water loss amounted to \$2,465.80 and that WWWWMS is gathering the remaining repair costs associated with the damage and will forward a claim to the perpetrator's insurance company when completed,

Mr. Villarreal reported that the side of the property and backyard at 11906 Sulphur Springs has been saturated with water and that WWWWMS investigated the matter and found no signs of a water leak.

Mr. Villarreal reported that WWWWMS recommends installing additional concrete and replacement of the defective sidewalk at the building at the WWTP. He reviewed various photos of the existing sidewalk and the area for a proposed sidewalk. Mr. Villarreal reported that WWWWMS will obtain bids for various options for the installation and repair work for next month's meeting.

Mr. Villarreal reported on Lift Station No. 1. He reminded the Board that WWWWMS requested photos from R&B to see the condition of the hardware and that R&B indicated they would come back out to take such photos but have not yet completed same.

Mr. Villarreal reported that WWWWMS requested prices for safety signs from sign vendors.

Mr. Villarreal reminded the Board that it denied a request last month from the customer residing at 11982 E. Marsham Circle for an adjustment to their September and October water bills which reflected high water usage. He stated that the customer is requesting that the Board

re-consider the request and noted that the usage is back down to normal. Mr. Villarreal stated that WWMS offered the customer a payment plan which the customer accepted. After discussion, the Board denied the request for an adjustment.

Mr. Villarreal reported that there is curb damage at the property located at 11903 Elk Springs Drive likely due to the resident's tow truck driving over the curb. He stated that WWMS will send correspondence to the resident advising them that they are responsible for the repair costs.

The Board next considered authorizing the termination of water service to delinquent accounts and requests for extension of termination deadline. After discussion, Director Agard made a motion to authorize WWMS to terminate water service to all delinquent accounts. Director Cadena seconded the motion, which carried unanimously.

Director Agard next discussed various issues related to WWWM's invoices and operations as follows: 1) he inquired as to the amount of time WWMS waits before sending an account to collections, 2) he asked about the line item on the invoice entitled "miscellaneous" and asked that WWMS provide more detail on the invoices going forward, 3) he asked about the seemingly inflated postage rate of \$0.82 reflected on the invoice for mailing customer bills, 4) he presented various invoices and work orders that reflected incorrect dates, 5) he inquired about the process for fixing sags in water lines, 6) he discussed the repeated false alarm at the water plant and noted that the District is charged \$75 each time the County responds to a false alarm (Mr. Villarreal stated that the alarm may be triggered by a stray dog living on the site and then discussed options for securing the site to prevent same), and 7) he discussed the need to try and reduce the number of copies made each month by WWMS on the District's behalf.

After discussion, Director Mays made a motion to approve the operator's report, as presented. Director Agard seconded the motion, which unanimously carried.

COMMENTS FROM HCMUD 217

The Board next considered comments from HCMUD 217 relative to the operation of the wastewater treatment plant. The Board discussed partnering with neighboring entities to construct a sidewalk on Walters Road and installing sidewalks in front of the apartments on Walters Road.

DISCUSS CONDITION OF PROPERTY ON VETERANS MEMORIAL DRIVE

The Board next considered a discussion regarding the condition of a private detention pond located on the property owned by La Michoacana Restaurant. Director Mays stated that the detention pond is not maintained and is in poor condition. Director Cadena asked about the District's options to require the owner to maintain the pond in good condition. Ms. Richardson stated that the pond is a private facility and that the District does not have any authority to require the owner to properly maintain the pond unless it is determined that the condition of the pond is adversely impacting District facilities. Ms. Efaw noted that she does not think that the pond is adversely impacting any District facilities, but that she has not personally inspected the

facility. Ms. Efaw then suggested that the District might contact Harris County Pollution Control or the Nuisance Abatement department to see if they have any authority to address the issue with the landowner.

ENGINEER'S REPORT

Ms. Efaw next presented the attached engineer's report prepared by BGE related to the design, advertisement for bids, and/or award of construction contracts, the status of contracts previously awarded, and the acceptance of any easements or sites.

Ms. Efaw reported on the failing outfall pipe at the WWTP. She stated that BGE is preparing the construction plans for the project and will submit to Harris County for review.

The Board next deferred consideration of the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District.

Ms. Efaw reported on the Water Plant tank inspections. She stated that the painting for the doors to the CMU buildings were not included in the proposal to paint the building. Director Cadena stated that the doors should have been included because it is all one building. Ms. Efaw stated that she will discuss the issue with the contractor, A&J Industrial and Commercial Painting LLC, to see if they will go back and paint the doors under the existing proposal at no additional cost.

The Board next considered the issuance of utility commitment requests. No one present had anything to report.

Ms. Efaw next reported on options for surge protection at the WWTP. She stated that BGE and WWWWMS are reviewing options with input from Baird & Gilroy.

Ms. Efaw next reported on the Lift Station on Antoine Drive. She stated that WWWWMS has requested final photos of the work completed by R&B, as previously discussed.

Ms. Efaw next reported on the status of a Geographic Information System ("GIS") for the District. She presented the attached Contract to Develop Web Map Solution and requested that the Board approve same. Director Agard asked about the hosting fee and Ms. Efaw stated that the hosting fee is \$1,500 per quarter. Director Cadena asked whether the District would be able to access the system if BGE is no longer the District's engineer, and Ms. Efaw stated that the District would still be able to access the system. After discussion, Director Agard made a motion to approve the Contract to Develop Web Map Solution, and to authorize the President to execute same on behalf of the Board and the District. Director Johnson seconded the motion, which unanimously carried.

REVIEW AND APPROVE RESOLUTION AUTHORIZING USE OF SURPLUS FUNDS

The Board next deferred the review and approval of a Resolution Authorizing the Use of Surplus Funds until next month's meeting. The Board then discussed the status of the manhole

project, and Mr. Villarreal suggested televising the sanitary sewer lines under the roads by the manhole. The Board agreed with Mr. Villarreal's recommendation to complete the televising of the sanitary sewer lines near the manhole.

STATUS OF BOND APPLICATION REPORT

The Board next considered the status of preparation of a Bond Application Report relative to the District's proposed Series 2019 Bonds, and the approval of an Order Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Approval of Project and Bonds for the proposed Series 2019 Bonds. Ms. Efaw stated that the Report is complete and requested the Board's authorization to submit the Application to the TCEQ. Ms. Richardson stated that she has reviewed the Report and recommends that the Board approve the Report and authorize the District's consultants to file the Report with the TCEQ. After discussion, Director Cadena made a motion to approve the Order Authorizing Application to the TCEQ for Approval of Project and Bonds, approve the Report and authorize the District's consultants to prepare and file the Report with the TCEQ. Director Agard seconded the motion, which carried unanimously.

BOOKKEEPER'S REPORT

Ms. Morrison next presented the attached bookkeeping report dated February 19, 2019, open investment report, pledged securities report, profit and loss report and a report reflecting the District's debt service payments. She stated that the District received a check from R&A Directional Boring for damages to the sludge return line. She noted that the funds will be deposited in the District's WWTP account. After review and discussion, Director Mays made a motion to approve payment on the Operating Account, being check nos. 18140 through 18181, inclusive, on the Capital Project Fund Account, being check no. 1499, and on the Sewage Treatment Plant Account, being check nos. 4498 through 4514, inclusive, as identified in the report. Director Mays seconded the motion, which carried unanimously.

INSURANCE PROPOSAL

The Board next considered the renewal of the District's insurance coverage for term expiring March 31, 2019. Ms. Richardson distributed the attached renewal proposals received from Arthur J. Gallagher ("AJG") relative to property, comprehensive boiler and machinery, commercial general liability and hired car and non-ownership automobile liability, pollution liability, directors and officers liability, umbrella, public employee blanket crime, directors position schedule bond, tax assessor/collector bond, worker's compensation, and business travel coverage scheduled to expire on March 31, 2020. After discussion, Director Johnson made a motion to approve the proposal received from AJG for all coverage's set out above, and to authorize the President to execute same on behalf of the Board and District. Director Mays seconded the motion, which carried unanimously.

Director Agard next asked Mr. Villarreal various questions regarding the WWWWMS invoices. He asked whether WWWWMS or Yellowstone should be performing any additional

mowing required.. After discussion, the Board concurred that Yellowstone should be performing any additional mowing.

EXECUTIVE SESSION

The Board next recessed into Executive Session at 8:54 p.m. to deliberate the deployment, or specific occasions for implementation of security personnel or devices, or a security audit pursuant to §551.076, Texas Government Code. The Board returned from executive session at 9:03 p.m.

RECONVENE IN OPEN SESSION

The Board next deferred taking action regarding deployment, or specific occasions for implementation of security personnel devices pursuant to §551.076, Texas Government Code.

FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred to add an item to the next agenda regarding a discussion relative to purchasing property on Veterans Memorial Drive.

There being no further business to come before the Board, the meeting was adjourned at 9:05 p.m.


Secretary, Board of Directors

ATTACHMENTS

February 19, 2019

1. Southern Concrete Raising proposal
2. Exhibit A - Yellowstone rate increase
3. Proposal from Yellowstone Landscape
4. Tax Assessor Collector Report
5. Delinquent Tax Report
6. Resolution Concerning Exemptions from Taxation
7. Operations Report and related correspondence
8. Engineering Report and related correspondence
9. Contract to Develop Web Maps Solution with BGE
10. Bookkeeper's Report