

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 150
March 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 March 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, Joan Hall and Dr. Thompson of the public; Marian Henderson, Jerry Ewing, Debra Johnson 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 and Sergeant Russell of Harris County Sheriff's Office ("HCSO"); Paul Villareal and Sandra Washington of Water Wastewater Management Services, Inc. ("WWWMS"); Alene Efaw of BGE; Carl Sandin of Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"); 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 meeting held on February 19, 2019. After discussion, Director Agard made a motion to approve the minutes of the meeting of February 19, 2019, as presented. Director Johnson seconded the motion, which carried unanimously.

PUBLIC COMMENT

The Board next deferred comments from the public, as no members of the public were present to speak.

CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY ("CHCRWA")

The Board next considered the status of the CHCRWA. Director Cadena 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.

DISTRICT WEBSITE MAINTENANCE

The Board next considered a discussion on the status of the District's website. The Board requested that the revised Rate Order be forwarded to Apollo IT Consulting for posting to the District's website.

GARBAGE COLLECTION MATTERS

The Board next considered a discussion on garbage collection matters. Director Adams noted that it appears that Best Trash has placed the new decals on the majority of the trash bins in the District.

LANDSCAPING MAINTENANCE MATTERS

The Board next discussed the landscaping maintenance services by Yellowstone Landscape ("Yellowstone"). Director Agard stated that he visited Water Plant No. 1 with Mr. Villarreal to inspect the existing shrubs and is unsure whether the photinia plants need to be replaced. The Board next discussed the proposals to replace the photinia plants at Water Plant No. 1 for a total of \$900 and the wax myrtle plants at the WWTP for a total of \$825. After discussion, Director Cadena made a motion to approve the proposal from Yellowstone to replace the photinia plants at Water Plant No. 1 for a total of \$900 and the wax myrtle plants at the WWTP for a total of \$825. Director Adams seconded the motion, with Directors Cadena, Adams, Johnson and Mays voting in favor and Director Agard abstaining.

The Board discussed the proposed tree/vegetation removal work to be completed at various homes located adjacent to the WWTP and the Water Plant. Mr. Villarreal noted that the trees are growing into the fencing causing damage to the fence and creating a potential security risk to the plant facilities. He stated that WWMS has made several attempts to contact the landowners and the tenants about removing the offending vegetation, and that only one of the landowners has responded thus far. Ms. Richardson asked if perhaps the District's property line falls inside the landowners' side of the existing fence line. Ms. Efav stated that she will look at the survey maps to try and determine same. Director Cadena then asked Mr. Villarreal to forward the pictures of the tree and vegetation issues to Ms. Richardson.

SECURITY PATROL SERVICES

The Board next considered District security patrol services. Director Adams stated that she attended the security meeting this month. She stated that the Sheriff reminded those in attendance not to leave valuables in vehicles and to always lock vehicles.

Sergeant Russell next reported on recent activity in the District. He stated that he may have found a loophole in the Texas Transportation Code which would allow for the towing of an illegal car (i.e., expired registration) that has not been moved for forty eight (48) hours after a notice has been issued. Sergeant Russell then presented the cards that are used by the Sheriff to tag parked vehicles that have visible items. Sergeant Russell then reported the following: 1) there were several apartment fires which occurred within the District the past month; 2) a driver

who was likely under the influence of drugs crashed a car into three (3) other vehicles, and 3) the Sheriff is performing increased patrol checks on the mosque on Spears Road due to the recent events in New Zealand. Director Johnson stated that he sees numerous people walking dogs within the District that are not on a leash.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Andell presented the attached Tax Assessor-Collector's report for the month of February. The Board reviewed the report and noted that the District collected 94.08% of its 2018 taxes through February 28, 2019. The Board next reviewed the attached Delinquent Collections List ("DCL") as of February 28, 2019, as prepared by W&A. Director Agard asked that W&A include the DCL in the report which is emailed to the Board each month.

Ms. Andell then requested that the Board authorize W&A to move personal property accounts which are five (5) years old or older to the uncollectible list. Director Agard then asked whether W&A sends the DCL to Perdue each month. Mr. Sandin confirmed that W&A sends the DCL to Perdue each month. Director Agard stated that the accounts listed on the DCL do not match those listed on the report from Perdue. Mr. Sandin stated that the report from Perdue is only a summary of the District's delinquent accounts. Director Agard next asked about writing off the personal property accounts as recommended by Ms. Andell. Mr. Sandin stated that Perdue has already attempted collection on those accounts and the statute of limitations on collecting on those accounts has expired. After review and discussion, Director Cadena made a motion to approve the report and to authorize payment on the Tax Account for check nos. 4001 through 4018, inclusive, and two (2) wire transfers, and to move the personal property accounts which are five (5) years old or older to the uncollectible list, as identified in the report. Director Agard seconded the motion, which carried unanimously.

REPORT ON DELINQUENT TAXES

Mr. Sandin next reviewed the attached report dated March 19, 2019, which had been prepared by Perdue. He stated that the report does not capture the status of every delinquent account. Director Agard asked about the Richard G. Miller accounts. Mr. Sandin stated that Mr. Miller has a history of delaying payment of taxes until the properties are about to be sold at auction. Director Agard asked whether service was terminated for the Norma A. Martinez and Romualdo L. and Martha Tierrablanca accounts. Mr. Villarreal stated that service was terminated for both of the accounts.

OPERATOR'S REPORT

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

Mr. Villarreal reported that the belt press hydraulic system lost pressure, and the hydraulic pump failed. He stated that WWMS replaced the pump. He also noted that WWMS installed an upgraded filter and that the belt press is back in operation.

Mr. Villarreal reported that the blower at the WWTP has been running non-stop and the blower bearings need to be replaced. He stated that STP Services can replace the blower bearings for a total of \$1,800. After discussion, Director Agard made a motion to authorize WWWS to engage STP Services to replace the blower bearings for a total of \$1,800. Director Adams seconded the motion, which unanimously carried.

Mr. Villarreal reported that the bar screen custom door for the building at the WWTP should arrive this week.

Mr. Villarreal reported that WWWS installed a new heavy-duty cabinet in the belt press room to replace the rusted cabinet.

Mr. Villarreal reported on the replacement of existing sidewalk at the building at the WWTP. He reviewed the attached cost estimates and sketches of various options for the proposed sidewalk. He stated that sidewalk A would cost \$2,947, sidewalk B would cost \$1,450, sidewalk C would cost \$2,550, sidewalk D would cost \$2,650 and sidewalk A & B combined would cost \$3,250. The Board agreed that sidewalk C is not necessary and requested that WWWS obtain bids for the replacement of asphalt on the driveway to possibly combine with the project for the Board's review at next month's meeting. Ms. Efav then recommended replacing the base and overlay for the asphalt if it is in really bad shape.

Mr. Villarreal reported on the fire hydrants on Antoine Drive between Veterans Memorial Drive and Spears Road. He stated that he met with Director Cadena to inspect the distance between the fire hydrants in front of the Champion Point Apartments and One Camden Apartments. Mr. Villarreal then presented a sketch of the distance between fire hydrants and noted that some of the distances exceed the distance requirements. Mr. Villarreal stated that the cost to install an additional fire hydrant will be \$5,200. After discussion, Director Agard made a motion to approve the quote to install a fire hydrant on Antoine Drive at a cost of \$5,200. Director Adams seconded the motion, which unanimously carried.

Mr. Villarreal stated that WWWS replaced a missing fire hydrant at 12002 Veterans Memorial Drive.

Mr. Villarreal reported that Source Point Solutions, Inc. ("Source Point") completed televising the sanitary sewer line under the driveway at the Loveland Pass Water Plant and found no sanitary sewer line issues. He stated that Source Point also televised the sanitary sewer main line at the North Camden Parkway manhole and found water leaking into the manhole. He stated that a water sample was sent for testing which tested positive for chlorine indicating a leak in the area. Mr. Villarreal then reviewed video footage of the televising. He stated that Source Point also found an issue with a sag in a portion of the sanitary sewer line where grease is accumulating. Director Agard asked how to fix the sag in the sewer line and Mr. Villarreal stated that he will coordinate with BGE to devise a plan to repair the issue. Mr. Villarreal then stated that Source Point also found an issue with proper gravity flow in a segment of the sanitary sewer line. He then presented the attached maps indicating the locations of these issues.

Ms. Washington reported that the customer residing at 11703 Steamboat Springs Drive has a past due balance and is requesting a waiver of the door hanger fee and late fee. She stated that the customer is asserting that she made payment on the due date of February 23, 2019, but that it did not post to the account until February 25, 2019. She stated that WWWS will call AVR to discuss the matter and will report the findings to the Board next month.

Mr. Villarreal next presented and reviewed the attached cost estimate from Carlton Industries LP for new safety signs totaling \$7,653.62. He then stated that he also received an estimate from Seton-US for \$6,146.00 and that he will email same to the Board. He noted that the cost estimates do not include installation of the signs. The Board deferred action on the matter until next month's meeting.

Mr. Villarreal reported that the hydrant reflectors have been installed. He also stated that the water main curb markers have been installed.

Director Adams then asked about the invoices for the false alarms at the Water Plant. Mr. Villarreal stated that he spoke with Today's Integration ("TI") about its procedures related to alarms. He stated that TI reviews the video footage to determine if the call is legitimate and then contacts WWWS to notify them if it is a false alarm. Director Adams stated that she thought the District was allowed a certain number of false alarms before being charged by the Sheriff's office. Mr. Villarreal stated that he will discuss the matter with TI. Director Cadena then requested that TI run a test to make sure that WWWS is receiving the calls from TI when an alarm goes off.

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

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

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.

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. Ms. Richardson gave an update regarding the final demand letter sent to BMF Drilling, LLC on March 5, 2019, requesting payment of the backcharges. She stated that the owner of BMF advised that the company is no longer in business and offered to provide the contact information for their insurance company so that the District can pursue payment from the insurance company. The Board agreed that MRPC pursue payment from the insurance company.

COMMENTS FROM HCMUD 217

The Board next considered comments from HCMUD 217 relative to the operation of the wastewater treatment plant. No one present had anything new to report.

STATUS OF PRIVATE DETENTION PONDS IN DISTRICT

The Board next considered the status of private detention ponds in the District. Ms. Efaw suggested that residents of the District contact the Harris County Engineering Department to complain about the state of the private detention ponds. Director Cadena suggested that BGE contact the County on the District's behalf since that might be more effective. Ms. Efaw noted that BGE does not feel comfortable contacting the County about such issues. Ms. Richardson asked Ms. Efaw to provide contact information for the County and stated that MRPC would reach out to the County regarding same. Director Agard asked whether the District can clean up debris located in public rights-of-way. Ms. Richardson stated that most of the rights-of-way are owned by Harris County, but that the District could likely get permission from the County to clean up debris in certain rights-of-way. After discussion, the Board instructed MRPC to contact Harris County regarding the status of the District's private detention ponds.

STATUS OF GROUNDWATER CREDITS

The Board next considered the status of groundwater credits. Ms. Richardson discussed the District's groundwater credits issued by the Harris-Galveston Subsidence District for participation in the Water Wise program.

DISCUSS PURCHASE OF PROPERTY ON VETERANS MEMORIAL DRIVE

The Board next discussed the purchase of property on Veterans Memorial Drive. Director Mays discussed the possibility of the District purchasing the property adjacent to 12005 Veterans Memorial which is the former location of Napa Auto Parts. The Board requested that the item remain on the agenda for next month's meeting.

STATUS OF PROPOSED SIDEWALK PROJECT

The Board next considered the status of the proposed sidewalk project. Ms. Richardson stated that the attorney for HCMUD 217 responded to Mr. Ashcraft's phone calls and suggested that all entities get together to discuss a potential partnership for the construction of sidewalks on Walters Road. She also stated that she contacted Harris County Municipal Utility District No. 5 regarding participation who advised that they may be interested in same. Ms. Richardson stated that she will also contact Harris County Municipal Utility District No. 304 to find out their interest in participating in the project.

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 submitting the construction plans to Harris County for review the week of March 18, 2019. She reviewed the cost estimate in the amount of \$49,423 for the project. She requested that the Board authorize BGE to solicit three (3) bids for the project, contingent on BGE's receipt of approval from Harris County. After discussion, Director Adams made a motion to authorize BGE to solicit bids for the project after approval has been received from Harris County. Director Mays seconded the motion, which unanimously carried.

Ms. Efaw reported that the manhole rim needs to be replaced at South Camden Parkway and Loveland Pass Drive, and that Harris County will require design plans since the repair will require the removal of concrete. She then recommended that the Board authorize BGE to begin preparation of design plans for the manhole rim replacement to include concrete removal and replacement. After discussion, Director Mays made a motion to authorize BGE to begin preparation of design plans for the manhole rim replacement project. Director Adams seconded the motion, which unanimously carried.

Ms. Efaw reported on the Water Plant No. 2 painting. She stated that A&J Industrial and Commercial Painting LLC has completed the touchup painting and she reviewed the invoices for payment in the amounts of \$4,000 and \$5,500. After discussion, Director Adams made a motion to approve payment in the amounts of \$4,000 and \$5,500 to A&J Industrial and Commercial Painting LLC. Director Johnson seconded the motion, which unanimously carried.

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

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

Ms. Efaw next reported on the Lift Station on Antoine Drive. She stated that WWWMS has requested final photos of the work completed by 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.

Ms. Efaw next reported on the status of a Geographic Information System ("GIS") for the District and stated that BGE has begun programming the GIS.

Mr. Bowen next asked about the property located behind the mechanic shop on Veterans Memorial Drive and if the owner needs a permit to develop the property. Ms. Efaw stated that the owner will need a permit from Harris County if putting any impervious cover down. She stated that BGE will also need to approve any plans if the owner intends on connecting to the

District's facilities. Ms. Efav stated that she will contact the owner of the property to discuss the matter.

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.

REVIEW OF DROUGHT CONTINGENCY PLAN

The Board next considered the adoption of a Resolution Regarding Review of Drought Contingency Plan ("Plan"). Ms. Richardson stated that she will contact the CHCRWA to see if it is making any updates to its drought contingency plan and report back to the Board next month regarding any recommended updates to the Plan.

STATUS OF BOND APPLICATION REPORT

The Board next considered the status of the Bond Application Report relative to the District's proposed Series 2019 Bonds. Ms. Richardson stated that the Report was declared administratively complete by the TCEQ on February 28, 2019.

BOOKKEEPER'S REPORT

Ms. Morrison next presented the attached bookkeeping report dated March 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 MAC is still holding the check to R&B pending receipt of pictures of the Lift Station on Antoine Drive. After review and discussion, Director Mays made a motion to approve payment on the Operating Account, being check nos. 18182 through 18219, inclusive, on the Capital Project Fund Account, being check no. 1500, and on the Sewage Treatment Plant Account, being check nos. 4514 through 4529, inclusive, as identified in the report. Director Johnson seconded the motion, which carried unanimously.

Director Agard next asked Ms. Morrison for the backup documentation showing HCMUD 217 payments to the District. He then asked about District backcharges. Mr. Villarreal stated that WWMS will prepare a spreadsheet of the District backcharges and the status of each for the Board's review.

Director Agard next asked Mr. Villarreal various questions regarding the WWMS invoices.

UNCLAIMED PROPERTY REPORT

The Board next considered authorizing the bookkeeper and tax assessor to prepare a 2018 Unclaimed Property Report and the filing of same with the State Comptroller prior to the July 1, 2019 deadline. After discussion, Director Mays made a motion to authorize the District's consultants to research the District's accounts to determine the necessity of preparing an

Unclaimed Property Report, and, if such report is necessary, authorize the District's Bookkeeper to file same with the State Comptroller prior to July 1, 2019. Director Adams seconded the motion, which carried unanimously.

EXECUTIVE SESSION

The Board next recessed into Executive Session at 9:06 p.m. to conduct a private consultation with attorney to discuss pending or contemplated litigation, or a settlement offer pursuant to §551.071, Texas Government Code. The Board returned from executive session at 9:11 p.m.

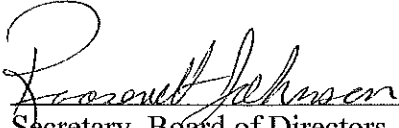
RECONVENE IN OPEN SESSION

The Board next considered taking action regarding contemplated litigation, or a settlement offer pursuant to §551.071, Texas Government Code. After discussion, Director Mays made a motion to authorize MRPC to approve settlement agreements on behalf of the District with Texas Pacific Property, Inc. and Transco Realty, LLC, for the payment to each an amount totaling the past four (4) years of each respective company's overbilled amounts plus \$2,500 to each for attorneys' fees. Mr. Agard seconded the motion, which passed unanimously.

FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas.

There being no further business to come before the Board, the meeting was adjourned at 9:13 p.m.


Secretary, Board of Directors

ATTACHMENTS

March 19, 2019

1. Tax Assessor Collector Report
2. Delinquent Tax Report
3. Operations Report and related correspondence
4. Engineering Report and related correspondence
5. Resolution Regarding Review of Drought Contingency Plan
6. Bookkeeper's Report