

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 150  
April 16, 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 April 16, 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, except Director Cadena, thus constituting a quorum.

Also present were Joseph Bowen and James Barnett of the public; Marian Henderson, Jerry Ewing, Debra Johnson and Cordelia Brown of Harris County Municipal Utility District No. 217 ("HCMUD 217"); Ms. Rene Anandel of Wheeler & Associates, Inc. ("W&A"); Carol Morrison of Municipal Accounts & Consulting, L.P. ("MAC"); 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"); Ryan Fortner of Sales Revenue Inc. ("SRP"); and Kara Richardson and Ryan Ashcraft of Marks Richardson PC ("MRPC").

The Vice President called the meeting to order at 6:32 p.m.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on March 19, 2019. After discussion, Director Agard made a motion to approve the minutes of the meeting of March 19, 2019, as presented. Director Johnson seconded the motion, which carried unanimously.

PUBLIC COMMENT

The Board next considered comments from the public. Mr. Bowen thanked WWWMS for the repair work to the holes near certain storm drains and the shifted sidewalks. He also stated that there is an issue with cars not parking parallel to the street in cul-de-sacs. Sergeant Russell stated that he will review the transportation code to see if the Sheriff's Office has the authority to do anything regarding the matter. Mr. Bowen also stated that the cement truck has been seen again in the neighborhood. Sergeant Russell stated that he will speak with the cement truck driver.

Director Mays next stated that a homeowner in the Camden Park neighborhood has been complaining about women soliciting outside the corner store at South Camden and Veterans

Memorial Drive. Sergeant Russell stated that the women live in a halfway house for special needs adults. He stated that it will be up to the owner of the store to file a trespassing complaint with the Sheriff about the women but that he can discuss the issue with the owner. Mr. Bowen stated that there is gambling activity in the back of the store. Sergeant Russell stated that he will email the game room task force to look into the matter. The Board then discussed the traffic flow issues by Link Elementary.

#### ENGAGE AUDITOR

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending April 30, 2019. Ms. Richardson stated that the District has an evergreen contract with McCall that renews annually on the same terms. She stated that the proposed estimated auditing fee for the next fiscal year is \$16,000 to \$18,000. Ms. Richardson then presented the attached audit continuance letter from McCall. After discussion, Director Mays made a motion to confirm the engagement of McCall to prepare the District's audit report for the fiscal year ending April 30, 2019. Director Agard seconded the motion, which carried unanimously.

#### CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY ("CHCRWA")

The Board next deferred discussion on the status of the CHCRWA as no one present had anything new to report.

#### DISTRICT WEBSITE MAINTENANCE

The Board next deferred discussion on the status of the District's website as no one present had anything to report.

#### GARBAGE COLLECTION MATTERS

The Board next considered a discussion on garbage collection matters. Director Agard requested clarification on how the garbage collection is billed because the number of connections listed on the garbage invoice do not equal the number of single-family residential connections listed in the operator's report. Director Agard noted that it appears that the number of connections listed on the garbage invoice appears to reflect the total number of connections in the District as listed on the operator's report. Mr. Villarreal stated that garbage collection is billed based on active single-family residential connections reported by WWMS each month to Best Trash, and that he will investigate the matter to determine which numbers his office is reporting to Best Trash.

#### LANDSCAPING MAINTENANCE MATTERS

The Board next discussed the landscaping maintenance services by Yellowstone Landscape ("Yellowstone"). Director Agard asked about the status of the replacement of the photinia plants at Water Plant No. 1 and wax myrtle plants at the WWTP as he does not believe that they have been planted. Mr. Villarreal stated that he will look into the matter.

## SECURITY PATROL SERVICES

The Board next considered District security patrol services. Sergeant Russell reported on recent activity in the District. He stated that there has been no real uptick in activity since last month and nothing too concerning with the patrol statistics. Sergeant Russell then reported the following: 1) a man was arrested for driving 95 miles per hour in a 30 mile per hour speed zone, 2) two (2) vehicles were towed on East Marsham which were chained to a light pole, 3) a person was arrested for carrying THC oil, 4) two (2) abandoned vehicles were towed after an attempt was made to notify the homeowners, and 5) a person was arrested in front of Exxon for possession of marijuana in a "drug free zone." The Board then discussed the progress made on dealing with abandoned homes within the District.

## STATUS OF PROPOSED JOINT SIDEWALK PROJECT

The Board next considered the status of the proposed joint sidewalk project. Mr. Ashcraft stated that he has been communicating with the attorney for HCMUD 217 and representatives of Spring Independent School District ("Spring ISD") to determine interest in the potential partnership for the construction of sidewalks on Walters Road. He stated that HCMUD 217 and Spring ISD are discussing the matter with their respective Boards and will then schedule a meeting with all parties to discuss the matter further.

## TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Aniel presented the attached Tax Assessor-Collector's report for the month of March. The Board reviewed the report and noted that the District collected 95.18% of its 2018 taxes through March 31, 2019. The Board next reviewed the attached Delinquent Collections List ("DCL") as of March 31, 2019, as prepared by W&A.

Ms. Aniel next reviewed the attached report dated April 16, 2019, which had been prepared by Perdue. She then gave an update regarding the Roy's Automotive account and stated that Perdue will file a lawsuit on the account as soon as possible.

Director Agard then asked about the accounts listed in the Perdue report for over 65 or disability referrals and why the accounts are listed if they have a deferral. Ms. Aniel stated that W&A and Perdue keep track of the accounts in the event that adult children move into the home after the parents have moved out which would trigger the removal of the deferral status. Director Agard then asked whether service to Roy's Automotive can be terminated and whether W&A can send a notice notifying that service will be terminated if payment is not received. Ms. Aniel stated that she will advise Perdue to send a termination notice to Roy's Automotive advising that service will be terminated if payment is not received by next week. After review and discussion, Director Mays made a motion to approve the report, authorize payment on the Tax Account for check nos. 4019 through 4029, inclusive, as identified in the report, and authorize Perdue to send a termination notice to Roy's Automotive. Director Johnson seconded the motion, which carried unanimously.

## ADOPT RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.07 of the Property Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due to the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, Director Adams made a motion to adopt the attached Resolution Authorizing Additional Penalty on Delinquent Taxes. Director Johnson seconded the motion, which carried unanimously.

## REPORT ON SALES TAX MONITORING

The Board next considered a report on sales tax monitoring from Sales Revenue, Inc. ("SRI"). Mr. Fortner presented and reviewed the attached report from SRI for April and the 2018 City of Houston business list update review. He stated that SRI found eleven (11) new or changed sales tax permits and that six (6) businesses did not have sale tax permits or were operating in non-compliance and that SRI reported them to the Comptroller. Director Agard asked why the reports are not being received every six (6) months since the last report was received in May 2018. Mr. Fortner stated that a report was generated in December and he is not sure why it was not distributed to the Board. He stated that he will send the report to MRPC to distribute to the Board. Director Cadena then asked about the taco stand in front of the Valero gas station as it is not reflected on the report. Mr. Fortner stated that the owner has probably used his home address as the business address and that businesses do not need to charge sales tax unless they have seats at the restaurant.

## OPERATOR'S REPORT

Mr. Villarreal next presented the attached report from WWWS dated April 16, 2019 and reviewed same with the board.

Mr. Villarreal reported that National Fence installed automatic gate controllers at Water Plant Nos. 1 and 2. He also stated that National Fence still needs to install slats and a few other punch list items.

Mr. Villarreal reported that STP Services completed the replacement of the blower bearings at the WWTP. He also stated that the bar screen installation is now complete.

Mr. Villarreal reported that WWWS is waiting on the TCEQ for the consumer confidence report template in order to prepare the draft for MRPC's review.

Mr. Villarreal reported on the annual report on the District's Identity Theft Prevention Program and stated that there were no issues to report to the Board.

Mr. Villarreal reported that a new fire hydrant was installed on Antoine Drive at the Champion Pointe Apartments and that there is still some sidewalk and landscaping work to be completed.

Mr. Villarreal next presented and reviewed the attached cost estimates for new safety signs from Carlton Industries LP totaling \$7,653.62 and from Seton-US totaling \$6,567.16.

Mr. Villarreal reported on the proposed raising of the building at the WWTP. He stated that the total for Southern Concrete Raising ("SCR") to complete the proposed work is \$9,899.00. Ms. Richardson stated that, the Board approved the project last month contingent upon revisions to the agreement by SCR, and that she has not received a revised agreement from SCR. Mr. Villarreal stated that the costs can be passed through the District's contract with WWWS but that WWWS will charge the fifteen percent (15%) markup. Mr. Villarreal also stated that SCR is requesting a partial payment of \$4,800 prior to proceeding with any work but that he has not yet received an invoice for same. The Board then agreed to make payment after the work has been completed. Director Agard then asked about the need for the building as it has not been used in many years. He stated that he would like to visit the building prior to a decision being made. The Board deferred action on the matter until next month's meeting.

Ms. Washington reported that the customer residing at 11903 Elk Springs has a past due balance and is requesting a payment plan for a backbill due to landscape and curb repair costs. After discussion, the Board authorized WWWS to coordinate a six (6) month payment plan on the account.

Mr. Villarreal reported that the fire hydrant painting project is approximately twenty percent (20%) complete. He noted that the contractor plans to utilize extra work crews to complete the project faster.

Mr. Villarreal then presented and reviewed various water conservation materials to be included in resident water bills. Director Agard stated that he ordered 1,000 of the "Be Water Wise in the Home" pamphlets to be included in resident water bills as well. He then requested that an additional 2,000 pamphlets be ordered. Mr. Villarreal stated that he will order the additional pamphlets to send in resident water bills.

Director Agard then commended WWWS on the job they are doing within the District including cleaning up the area on Antoine Drive. He next stated that he believes that the food costs for the meeting are too high, noting that last month's food cost a total of \$122.

Director Agard then asked about the status of backcharges. Mr. Ashcraft gave an update regarding the collection of backcharges related to line damage on Veterans Memorial Drive. He stated that MRPC filed an insurance claim with BMF Drilling's insurance company and the insurance company denied the claim due to the fact that the police report lists the identity of the driver of the vehicle being unknown. Director Agard requested that WWWS prepare a spreadsheet of the District backcharges and the status of each for the Board's review.

Director Agard then asked about the efforts to reduce the number of photocopies being made and Mr. Villarreal stated that WWWS is working with AVR on the matter. He then commended WWWS on better invoicing for the past month.

Mr. Villarreal next reported that WWWS is coordinating with Today's Integration regarding various issues related to false alarms at the Water Plant.

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 WWWS to terminate water service to all delinquent accounts. Director Adams seconded the motion, which carried unanimously.

The Board next considered the approval of safety signs. Mr. Villarreal stated that WWWS will need to buy the mountings for the safety signs. After discussion, Director Mays made a motion to approve the proposal from Seton-US for \$6,567.16. Director Adams seconded the motion, which unanimously carried.

After discussion, Director Agard made a motion to approve the operator's report, as presented. Director Adams 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. Mr. Ewing stated that he takes issue with Director Agard's assertion that the food cost for the meetings is too high, noting that the District's meetings are long and that the Board should provide food for the consultants and Board members. Director Agard stated that he believes the cost of \$122 for food for the meetings is too high and wants to do all that he can to help the District run as efficiently as possible.

#### CONSUMER CONFIDENCE REPORT

The Board next considered authorizing the operator to prepare a draft Consumer Confidence Report. After discussion, Director Mays made a motion to authorize the operator to prepare a draft Consumer Confidence Report for review by the Board. Director Adams seconded the motion, which carried unanimously.

#### REVIEW OF DROUGHT CONTINGENCY PLAN

The Board next considered the adoption of a Resolution Regarding Review of Drought Contingency Plan ("Plan"). Ms. Richardson advised that the TCEQ requires that the Plan be reviewed on a set five-year schedule with the next review deadline being May 1, 2019. She advised that she reached out to the CHCRWA to ask if it changed its plan but had not heard back from them. She recommended that the Board readopt its current plan, without changes and revisit the matter when and if the CHCRWA responds to her inquiry. After discussion on the matter, Director Mays moved to adopt the attached Resolution Regarding Review of Drought

Contingency Plan and to authorize MRPC to file same with the necessary reporting agencies. Director Adams seconded said motion, which unanimously carried.

### 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 received comments from Harris County on the construction plans and is currently addressing same. She stated that the construction plans call for the use of rip rap but that Director Cadena inquired about using concrete rather than rip rap. She stated that concrete would cost approximately \$5,000 to \$10,000 more than rip rap. Director Cadena asked which type of material is standard for this type of outfall pipe, and Ms. Efaw stated that rip rap was the industry standard. The Board then concurred to use the standard rip rap. Ms. Efaw stated that BGE will solicit bids for the project upon approval from Harris County.

Ms. Efaw reported on the manhole rim replacement project. She stated that BGE has surveyed the project area and is currently preparing the construction plans for submittal to Harris County.

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 WWMS 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 is creating the utility layers for the GIS. She noted that the Board may want to consider holding a special meeting in August for BGE to present the final GIS.

### STATUS OF PRIVATE DETENTION PONDS IN DISTRICT

The Board next considered the status of private detention ponds in the District. Ms. Richardson stated that MRPC is currently preparing a package to send to Harris County regarding the status of the District's private detention ponds.

## 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.

## 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. The Board then discussed adding an item to the next agenda to consider the approval of an Official Intent Resolution to approve the payment of engineering costs from operating funds which will later be reimbursed with bond funds.

## BOOKKEEPER'S REPORT

Ms. Morrison next presented the attached bookkeeping report dated April 16, 2019, open investment report, pledged securities report, profit and loss report and a report reflecting the District's debt service payments. She stated that there are additional checks being issued to AT&T that are reflected on the report. She also noted that the checks for the overbilling settlements will be held pending execution of the settlement agreements. After review and discussion, Director Mays made a motion to approve payment on the Operating Account, being check nos. 18220 through 18253, inclusive, and on the Sewage Treatment Plant Account, being check nos. 4529 through 4544, inclusive, as identified in the report. Director Cadena seconded the motion, which carried unanimously.

## ADOPT OPERATING BUDGETS

The Board next considered the adoption of the District's operating budget and the sewer treatment plant operating budget for the fiscal year ending April 30, 2020. The Board then discussed various changes to the budgets. After discussion, Director Mays made a motion to approve the attached budgets, as revised. Director Adams seconded the motion, which carried unanimously.

## DISCUSS POTENTIAL IMPLEMENTATION OF INCENTIVE PROGRAM

The Board next discussed the potential implementation of an incentive program for the District. Director Cadena proposed giving credit incentives for turning people in for stealing water. The Board discussed the enforcement of the program and the need for a strict policy to follow. Mr. Villarreal discussed various incidences when water theft takes place. Director Cadena requested that the Board think about the program and be prepared to discuss same at next month's meeting.



## 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. She stated that she would like to see the property transformed into a small park area with recognition of the District's Board members past and present, Sheriff, and various consultants. Director Mays stated that she will investigate the cost of the subject property. The Board deferred action on the matter at this time.

Director Cadena next discussed a potential beautification project within the District to include the medians on Antoine Drive to Walters Road. The Board requested that an item be added to the next agenda to discuss same. Director Mays then requested that an item be added to the next agenda to discuss pool canopy areas for the Northcliffe Manor Homeowners Association community center.

## EXECUTIVE SESSION

The Board next deferred recessing into Executive Session to conduct a private consultation with attorney to discuss pending or contemplated litigation, or a settlement offer pursuant to §551.071, Texas Government Code.

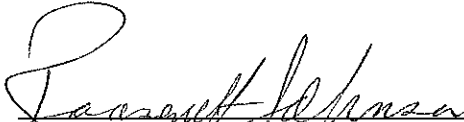
## RECONVENE IN OPEN SESSION

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 the President to execute the settlement agreements with Texas Pacific Property, Inc. and Transco Realty, LLC on behalf of the Board and the District. Director 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 9:15 p.m.

  
Secretary, Board of Directors

ATTACHMENTS

April 16, 2019

1. Audit Continuance Letter
2. Tax Assessor Collector Report
3. Delinquent Tax Report
4. Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
5. Sales and Use Tax Administration Report
6. Operations Report and related correspondence
7. Resolution Regarding Review of Drought Contingency Plan
8. Engineering Report and related correspondence
9. Bookkeeper's Report
10. Proposed Budgets for FYE 4/30/2020