

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 150
May 21, 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 May 21, 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, Melvin Floyd, Rebecca Joseph, Thomas Wyatt and Miguel and Gianelli Gruevara of the public; Jerry Ewing, Debra Johnson and Cordelia Brown of Harris County Municipal Utility District No. 217 ("HCMUD 217"); Rene Andel of Wheeler & Associates, Inc. ("W&A"); Carol Morrison of Municipal Accounts & Consulting, L.P. ("MAC"); Sergeant Davis, Officer Sanders and Officer Broadhead of Harris County Sheriff's Office ("HCSO"); Paul Villareal and Sandra Washington of Water Wastewater Management Services, Inc. ("WWWMS"); Alene Efaw of BGE; and David Marks 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 April 16, 2019. After discussion, Director Agard made a motion to approve the minutes of the meetings of April 16, 2019, as presented. Director Johnson seconded the motion, which carried unanimously.

APPROVE ACTIONS IN CONNECTION WITH SALE OF DISTRICT'S UNLIMITED TAX BONDS, SERIES 2019

The Board next deferred approval of all actions required in connection with the sale of the District's Unlimited Tax Bonds, Series 2019 until later in the meeting.

PUBLIC COMMENT

The Board next considered comments from the public. Director Agard then reviewed the District's Consultants and congratulated them on the work they had done during his first year as a Director.

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 considered the status of the District’s website. Director Agard stated that he is concerned about the District’s website staying up to date. Director Cadena stated that the incorrect minutes were erroneously posted last month but that the correct minutes have now been posted.

GARBAGE COLLECTION MATTERS

The Board next considered a discussion on garbage collection matters. Director Johnson reported that a resident cut down one of their trees and placed the tree on the curb for garbage collection but the tree was not picked up by Best Trash. The Board discussed the extra cost for large items to be collected and whether Best Trash should send notices to residents advising of the extra cost for certain items. Director Adams noted that Best Trash is supposed to leave a notice regarding any non-conforming garbage items left for pick-up.

LANDSCAPING MAINTENANCE MATTERS

The Board next discussed the landscaping maintenance services by Yellowstone Landscape (“Yellowstone”). Mr. Ashcraft reported that certified letters were mailed to four (4) residents on Loveland Pass Drive and Rockytop Circle regarding trees growing into District fencing, and requesting permission to remove the trees from each resident’s property.

SECURITY PATROL SERVICES

The Board next deferred consideration of District security patrol services until later in the meeting.

STATUS OF PROPOSED JOINT SIDEWALK PROJECT

The Board next considered the status of the proposed joint sidewalk project. Mr. Ashcraft stated that he, Ms. Efaw and Director Cadena attended a meeting on May 17, 2019 with Board members of HCMUD 217 and representatives of Spring Independent School District (“Spring ISD”) to discuss the plan to submit to Harris County for assistance in the potential construction of sidewalks on Walters Road. The Board then discussed Harris County Municipal Utility District No. 5 and Harris County Municipal Utility District No. 23’s interest in the project. The Board concurred to regroup and discuss the matter further once an estimate of costs has been prepared.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Andel presented the attached Tax Assessor-Collector's report for the month of April. The Board reviewed the report and noted that the District collected 95.66% of its 2018 taxes through April 30, 2019. The Board next reviewed the attached Delinquent Collections List ("DCL") as of April 30, 2019, as prepared by W&A.

Ms. Andel next reviewed the attached report dated May 21, 2019, which had been prepared by Perdue. Director Agard then asked about the Roy's Automotive account and Ms. Andel stated that Perdue filed a lawsuit on the account on May 1, 2019.

Ms. Andel reported that the District's preliminary value for 2018 is \$300,300,342 and that she anticipates the certified value to be ready in August.

OPERATOR'S REPORT

Mr. Villarreal next presented the attached report from WWMS dated May 21, 2019 and reviewed same with the board.

Mr. Villarreal reported that the installation of new probe housing and plumbing at the Water Plant has now been completed in order to install the new water gauge valves for hydro-pneumatic tank nos. 1 and 2 site glass.

Mr. Villarreal reported that National Fence completed installation of the automatic gate equipment at Water Plant Nos. 1 and 2. He also stated that National Fence relocated the keypads at Water Plant Nos. 1 and 2.

Mr. Villarreal reported that the installation and upgrade to a 5 horsepower compressor at Water Plant Nos. 1 and 2 is needed. He presented a quote from JP Morin for \$20,697.60 and from STP Services for \$8,300.00 to complete the installation and upgrade. After discussion, Director Mays made a motion to approve the quote from STP Services for \$8,300.00, as discussed above. Director Cadena seconded the motion, which unanimously carried.

Mr. Villarreal reviewed correspondence received from Sprint Services on April 19, 2019 regarding a price increase for sludge hauling-roll off container. He stated that Sprint Services will be increasing the base rate from \$500.00 per box to \$750.00 per box effective May 1, 2019. The Board requested that WWMS obtain additional proposals for sludge hauling for review at next month's meeting.

Mr. Villarreal reported that the new safety signs have arrived from Seton-US and are scheduled to be installed next week.

Mr. Villarreal reported that the fire hydrant painting project is approximately forty percent (40%) complete.

Mr. Villarreal reported that a defective six-inch (6") lateral line was repaired at the District's manhole located at 11939 Welshpool Glen.

Mr. Villarreal reported that WWWS investigated possible unauthorized discharge of sanitary sewer behind Roy's Tire Shop at 11914 Veterans Memorial Drive. He stated that WWWS pumped water out of an open excavation to inspect the sanitary sewer line. He noted that the sanitary sewer pipe was connected and found no unauthorized discharge. Mr. Villarreal stated that WWWS did find that the area around the pipe was poorly sloped and needs to be fixed and the pipe needs to be capped. He stated that the property owner advised that they will not make repairs at this time. Mr. Villarreal stated that Roy's Tire Shop will request that the property owner re-grade the sanitary sewer line.

Mr. Villarreal reported on the proposed raising of the building at the WWTP. Directors Agard and Johnson reported that they visited the building to inspect the condition and now suggest re-grading the area around the building to slope downward instead of raising the building. Ms. Efav stated that she will visit the site with a surveyor to determine options for the Board. She stated that BGE can begin preparation of plans and specifications for the re-grading work and new concrete installation and a proposal for the costs associated with same. After discussion, Director Johnson made a motion to authorize BGE to perform a survey of the subject site and begin preparation of plans and specifications for the re-grading and installation of concrete project. Director Mays seconded the motion, which unanimously carried.

Director Agard next asked about the cut-off list for the District. Mr. Villarreal stated that an incorrect list was inadvertently attached to the report and that he will present the correct list to the Board later in the meeting.

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

SECURITY PATROL SERVICES

The Board next considered District security patrol services. Sergeant Davis reported on recent activity in the District. Mr. Floyd then asked Sergeant Davis to look into a certain resident's dog who has been barking all night. Sergeant Davis then reported the following: 1) the game room complaint from last month was investigated by the game room task force, 2) and a man was arrested for driving under the influence. He noted that officers will be patrolling at the swimming pool over the summer. Director Johnson requested that officers also patrol the park and school areas during the summer. The Board then discussed a report that the daquiri stand by the Exxon gas station on Spears Road is serving alcohol to minors. Sergeant Davis stated that officers will monitor the area.

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. Mr. Marks stated that the Report was declared

administratively complete by the TCEQ on February 28, 2019 and that the TCEQ has advised that a response will be sent soon.

Mr. Howell entered the meeting at this time.

PROPOSED \$3,730,000 UNLIMITED TAX BONDS, SERIES 2019 (“BONDS”) –
DISCLOSURE COUNSEL

The Board next considered the engagement of disclosure counsel in connection with the issuance of the District’s Series 2019 Bonds. Mr. Howell presented the attached engagement letter from Norton Rose Fulbright (“Norton”) to serve as disclosure counsel in connection with the proposed issuance of the District’s Bonds. He stated that Norton has provided the required TEC Form 1295. After discussion, Director Agard made a motion to engage Norton as disclosure counsel and authorize the President to execute the engagement letter on behalf of the Board and the District. Director Johnson seconded the motion, which unanimously carried.

REGULATORY DISCLOSURE REGARDING MUNICIPAL ADVISORY AGREEMENT

Mr. Howell presented and reviewed the attached Regulatory Disclosure Regarding Municipal Advisory Agreement provided by GMS pursuant to Rule G-23 of the Municipal Securities Rulemaking Board (“MSRB”).

PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Mr. Howell next reviewed the attached draft Preliminary Official Statement and a draft Official Notice of Sale to be used in connection with the Series 2019 Bonds. He reported that application for rating has been made to Moody’s Investors Service and further noted that the potential purchaser may opt to purchase insurance for the Bonds. Following discussion, Director Agard made a motion to approve the offering documents and authorize the completion and distribution of same to the various potential underwriters, rating services and insurance companies, along with such other applications and documents required in connection with the District’s request for rating and insurance, in anticipation of a sale of the Bonds, and deem that such Preliminary Official Statement is final for all purposes, with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process. Director Johnson seconded the motion, which carried unanimously.

The Board next considered authorizing GMS to advertise for the sale of the District’s Series 2019 Bonds. After discussion, Director Agard made a motion to authorize GMS to advertise for the sale of the District’s Series 2019 Bonds in accordance with the Official Notice of Sale. Director Johnson seconded the motion, which carried unanimously.

DESIGNATION OF PAYING AGENT/REGISTRAR

The Board next considered the designation of a Paying Agent/Registrar in connection with the District's Bonds. Mr. Howell recommended that the Board designate Zions Bancorporation, National Association ("Zions") as the Paying Agent/Registrar for the Series 2019 Bonds since Zions has served in such capacity on the District's previous bond issues. After discussion, Director Agard made a motion to designate Zions as Paying Agent/Registrar in connection with the Series 2019 Bonds. Director Johnson seconded the motion, which carried unanimously.

The Board then discussed the possibility of scheduling a special meeting to consider bond sale items.

COMMENTS FROM HCMUD 217

The Board next considered comments from HCMUD 217 relative to the operation of the wastewater treatment plant. Mr. Wyatt asked about the arsenic levels in the District's water. Director Cadena and Ms. Efaw stated that the arsenic levels for the District are well within the established limits. The Board then discussed the use of bond proceeds with Mr. Wyatt.

CONSUMER CONFIDENCE REPORT

The Board next considered approval of a Consumer Confidence Report. After discussion, Director Mays made a motion to approve the Report, contingent upon review by MRPC, and to authorize the distribution of the Report to consumers by mail and posting same on the internet. Director Adams seconded the motion, which passed unanimously.

STATUS OF PRIVATE DETENTION PONDS IN DISTRICT

The Board next considered the status of private detention ponds in the District. Mr. Marks stated that MRPC anticipates submitting the package regarding the status of the District's private detention ponds to Harris County this week.

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 Harris County approved the construction plans and that BGE will solicit bids for the project.

Ms. Efaw reported on the manhole rim replacement project. She stated that BGE completed the construction plans and submitted same 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 WWWWMS 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 continuing to create the utility layers for the GIS.

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 AND APPROVE OFFICIAL INTENT RESOLUTION

The Board next considered the review and approval of an Official Intent Resolution regarding the use of operating funds to cover the costs associated with the design work for the Water Plant No. 1 Improvements, Elevated Storage Tank Coating, Water Plant No. 1 Arsenic Removal System and Lift Station No. 2 Rehabilitation. After discussion, Director Mays made a motion to approve the Official Intent Resolution and authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Johnson seconded the motion, which unanimously carried.

Ms. Efaw next requested authorization for BGE to proceed with preparation of plans and specifications for the Water Plant No. 1 Improvements, Elevated Storage Tank Coating and Lift Station No. 2 Rehabilitation projects. After discussion, Director Mays made a motion to authorize BGE to prepare plans and specifications for the projects discussed above. Director Johnson seconded the motion, which unanimously carried.

Ms. Efaw next requested authorization for WWWWMS to pull arsenic samples for Water Plant No. 1. After discussion, Director Mays made a motion to authorize WWWWMS to pull arsenic samples for Water Plant No. 1. Director Johnson seconded the motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Morrison next presented the attached bookkeeping report dated May 21, 2019, open investment report, pledged securities report, profit and loss report and a report reflecting the District's debt service payments. She stated that Director Mays has requested a cash advance payment for her registration for the Association of Water Board Directors summer conference

including the cost of the late payment fee. After review and discussion, Director Johnson made a motion to approve payment on the Operating Account, being check nos. 18252 through 18299, inclusive, on the Capital Projects Fund account, being check no. 1501, and on the Sewage Treatment Plant Account, being check nos. 4544 through 4558, inclusive, including a cash advance payment for AWBD registration and late fee for Director Mays, all as identified in the report. Director Johnson seconded the motion, which carried unanimously.

Mr. Villarreal next distributed the correct cut-off list to the Board. The Board then considered authorizing the termination of water service to delinquent accounts and requests for extension of termination deadline. After discussion, Director Mays made a motion to authorize WWWS to terminate water service to all delinquent accounts. Director Agard seconded the motion, which carried unanimously.

Director Agard then requested that Mr. Villarreal monitor the car wash within the District to ensure it is using appropriate equipment and cleaning products which will not harm the District's systems. Mr. Bowen then asked whether the pool area can be sub-metered to monitor the amount of water being wasted. Mr. Villarreal stated that he will meet Mr. Bowen at the pool to discuss the matter.

Mr. Villarreal stated that there were reports of discolored water, that WWWS flushed the hydrants and that the issue has been resolved. He stated that WWWS will monitor the phosphate levels regarding same.

Mr. Villarreal stated that the lighting replacement at the Water Plant is almost complete. Director Cadena then requested that WWWS ensure that all storm drain markers have been installed in the Camden Park neighborhood.

DISCUSS POTENTIAL IMPLEMENTATION OF INCENTIVE PROGRAM

The Board next discussed the potential implementation of an incentive program for the District. Director Cadena reminded the Board that he proposed giving credit incentives for turning people in for stealing water. He stated that he presented the idea to the Camden Park Homeowners Association and that they liked the idea of such a program. The Board deferred action on the matter until next month's meeting.

DISCUSS PURCHASE OF PROPERTY ON VETERANS MEMORIAL DRIVE

The Board next deferred a discussion on the purchase of property on Veterans Memorial Drive.

DISCUSS BEAUTIFICATION PROJECT ALONG ANTOINE DRIVE

The Board next discussed a beautification project within the District along Antoine Drive. Director Cadena presented various pictures of potential median improvements on Antoine Drive to Walters Road. The Board discussed a preference for trees and plants on the medians. The Board took no action on the matter at this time.

CONSIDER REQUEST FROM NORTHCLIFFE MANOR HOA ("NCM HOA")

The Board next considered a request from the NCM HOA for pool canopy improvements at the NCM HOA community center. Director Mays stated that the NCM HOA is requesting assistance to install one (1) shade canopy at the pool for \$12,000 or two (2) shade canopies for \$21,000. Mr. Marks advised not to use District funds to pay the NCM HOA for a canopy on HOA property which may only be used by NCM HOA members. Director Mays stated that the NCM HOA is alternatively requesting assistance with improvements to the park area located near the pool and community center. She stated that she will bring a price quote to next month's meeting. The Board requested that an item be added to next month's agenda to discuss same.

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.

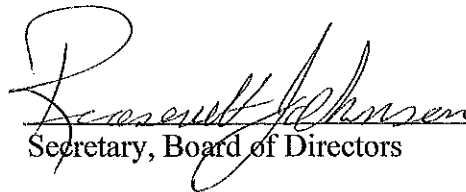
RECONVENE IN OPEN SESSION

The Board next deferred taking action regarding contemplated litigation, or a settlement offer pursuant to §551.071, Texas Government Code.

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

May 21, 2019

1. Tax Assessor Collector Report
2. Delinquent Tax Report
3. Operations Report and related correspondence
4. Preliminary Official Statement and Notice of Sale
5. Engineering Report and related correspondence
6. Bookkeeper's Report