

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 150
August 20, 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 August 20, 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 and Diane Johnson of the public; Jerry Ewing, Marian Henderson, Debra Johnson, Sonnier Washington and Cordelia Brown of Harris County Municipal Utility District No. 217 ("HCMUD 217"); Rene Anandel of Wheeler & Associates, Inc. ("W&A"); Carol Morrison of Municipal Accounts & Consulting, L.P. ("MAC"); Sergeant Russell, Deputy Davis and Deputy Harvin of Harris County Sheriff's Office ("HCSO"); Paul Villareal and Holly Marback of Water Wastewater Management Services, Inc. ("WWWMS"); Alene Efaw of BGE; Brian Toldan of McCall Gibson Swedlund and Barfoot PLLC ("McCall"); John Howell of The GMS Group, LLC ("GMS"); Howard Manson of Today's Integration ("TI"); Allen DeJonge of Off Cinco; 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 June 26, 2019, July 10, 2019 and July 16, 2019. After discussion, Director Agard made a motion to approve the minutes of the meeting of June 26, 2019 and July 10, 2019, as presented, and to approve the minutes of the meeting of July 16, 2019, as amended. Director Johnson seconded the motion, which carried unanimously.

PUBLIC COMMENT

The Board next considered comments from the public. Mr. Bowen addressed the Board and requested that the Board consider hiring off-duty officers to cover activity that happens during nighttime hours in the District. Director Cadena stated that the Board will address the matter under the security patrol services agenda item.

APPROVAL OF AUDIT REPORT

The Board next considered approval of an audit report for fiscal year ended April 30, 2019. Mr. Toldan presented the attached draft of the audit report and correspondence regarding the report. He stated that the Central Harris County Regional Water Authority fee increase in the District's Rate Order effective February 1, 2019, was not implemented by WWWWMS. Director Agard asked about the material weakness in internal controls identified in the management letter, and Mr. Toldan responded that the vast majority of MUDs get this same letter with each audit due to an auditing standard adopted several years ago requiring such letter when the financial statements are not prepared by someone other than the auditor. After discussion, Director Adams made a motion to approve the audit report for the fiscal year ended April 30, 2019, subject to review by MRPC, to authorize the President to execute the Annual Filing Affidavit on behalf of the Board and District, and to file the audit report and Annual Filing Affidavit with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ") and the Texas Comptroller of Public Accounts. Director Johnson seconded the motion, which carried unanimously.

PRESENTATION FROM TODAY'S INTEGRATION ("TI")

The Board next considered a presentation from TI regarding security cameras. Mr. Manson introduced himself to the Board and presented the attached Standard Commercial Security Equipment Sales/Monitoring/Service Contract and proposals for Lift Station Nos. 1 and 2, Water Plant Nos. 1 and 2, and Wastewater Treatment Plant ("WWTP"). He discussed upgrading the security equipment at Water Plant Nos. 1 and 2 and WWTP and adding security systems to Lift Station Nos. 1 and 2 as there are not currently any security cameras at those facilities. He stated that the upgrades would include upgrading the security cameras, recorders and cabling. Director Cadena asked whether a security camera is needed at the elevated storage tank. Mr. Villarreal noted that children sometimes kick balls onto the storage tank property and it triggers the alarms so a camera might be beneficial. Mr. Manson recommended bullet cameras with infrared which will provide a sharper picture image than the current cameras. He noted that the proposal does not include any additional security cameras at Water Plant Nos. 1 and 2 and WWTP, but rather only includes proposals to update the existing cameras. The Board agreed to consider adding additional security cameras at the WWTP. Mr. Manson then demonstrated the difference in picture quality between the existing and new security cameras. The Board then discussed license plate cameras which are specifically used for reading license plates and are focused directly in the area of license plate traffic. The Board discussed the proposed locations for license plate cameras. Mr. Manson stated that he would be able to meet at the Water Plant Nos. 1 and 2 and WWTP to discuss strategic locations for additional cameras. He also stated that he will update the proposal to include one (1) additional camera at the WWTP to face the belt press and one (1) additional camera at the elevated storage tank. Mr. Manson then asked the Board to let him know when they would like to meet at the WWTP to determine locations for the additional camera. Mr. Villarreal stated that security cameras are likely not needed at the lift stations since there are no generators at the facilities. Mr. Manson determined that he will meet with Directors Adams and Johnson at the WWTP to discuss the matter further and will then send a revised proposal to the Board for review.

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.

CONTRACT SERVICES FROM THIRD PARTY VENDORS

a) Website Maintenance. The Board next considered the status of the District’s website and website services and the termination of the District’s contract with Apollo IT Consulting (“Apollo”). The Board discussed the potential transition to a new website maintenance company and the ability of the new company to ensure the website is compliant by September 1, 2019. After discussion, Director Mays made a motion to terminate the contract with Apollo and authorize MRPC to send a termination notice to Apollo tomorrow. Director Johnson seconded the motion, which unanimously carried.

The Board next considered the review and approval of a proposal from Off Cinco and/or Touchstone District Services for website maintenance. After discussion, Director Adams made a motion to approve the proposal previously received from Off Cinco for website maintenance. Director Mays seconded the motion, which unanimously carried. The Board requested that the termination notice to Apollo include instructions to send the domain information to Off Cinco, and if same cannot be completed by the September 1st deadline, to instruct Apollo to take the website down temporarily until Off Cinco can have a compliant site ready.

b) Solid Waste Collection. The Board next considered the status of solid waste collection services from Best Trash. Ms. Richardson reviewed the attached correspondence from Best Trash dated May 22, 2019 regarding an automatic yearly CPI price adjustment of 4.5% changing the rate from \$13.90 to \$14.53 per month per residence effective June 2019.

c) Landscaping Maintenance. The Board next considered the status of landscaping maintenance services from Yellowstone. The Board discussed the proposal presented at last month’s meeting for \$777.60 to repair the mainline leak, repair or replace the stuck valve and wire trace the zone 12 wire to find the location of the valve and area of coverage. After discussion, Director Johnson made a motion to approve the proposal from Yellowstone for \$777.60 for repairs to the irrigation system. Director Mays seconded the motion, which unanimously carried.

The Board then discussed the overall performance by Yellowstone for landscaping maintenance services. Director Agard stated that he believes that Yellowstone should inform the Board when they will be performing work and set a schedule for same. The Board agreed to continue monitoring the performance by Yellowstone.

SECURITY PATROL SERVICES

The Board next considered District security patrol services. Sergeant Russell reported on recent activity in the District. He stated that criminal activity was lower than normal for the first part of the summer, but that activity has picked up since July. He stated that there have been

several motor vehicle burglaries in the Camden Park neighborhood. Sergeant Russell stated that he had the Sheriff's office set up a bait car in the neighborhood, but that no burglaries were attempted on the bait vehicle. He stated that he believes the activity will decrease once school starts and patrol officers return from vacation. Sergeant Russell stated that he would not recommend hiring off-duty officers at night right now but recommends considering the matter in a couple months if the activity does not decrease. He stated that the current night shift patrol officers are spending more time in the neighborhoods and attempting to decrease the criminal activity.

Sergeant Russell noted that there has been an increase in accidents on Veterans Memorial Drive. Directors Cadena and Johnson stated that they both contacted Commissioner Cagle's office regarding the installation of a median in the area but have not yet received a response.

Sergeant Russell stated that numerous calls have been received about group homes in the area and requested that the Sheriff's office run compliance checks on several of the subject homes.

Director Mays stated that she would like for the patrol officers to patrol in the Northcliffe Manor neighborhood at night as there are people causing problems at night. Sergeant Russell requested that Director Mays call him about the matter and he will send the nighttime patrol officers to investigate. Director Johnson requested that the patrol officers patrol the playground areas in Camden Park at night to look for vagrants sleeping in the park. Director Cadena then suggested patrolling both parks at night. Sergeant Russell then introduced Deputy Harvin and stated that he has been filling in for the evening shift for the past couple months.

STATUS OF INTERLOCAL PROJECTS

a) Proposed Sidewalk Project. The Board next considered the status of the proposed sidewalk project among the District, Harris County Municipal Utility District No. 217 ("HCMUD 217"), Spring Independent School District ("Spring ISD") and Harris County. Mr. Ashcraft stated that HCMUD 217 sent the proposed map of the project to Harris County. He stated that he is waiting on a response from Harris County for further instructions, projected costs for the project and a proposed agreement with Harris County.

b) Proposed Median Beautification Project. The Board next discussed a proposed median beautification project with Harris County. Mr. Ashcraft stated that the District is waiting on a proposal from Talley Landscape Architects, Inc. ("Talley"). He noted that Talley is coordinating with Harris County regarding any issues and/or regulations regarding the District's proposed plans.

REVIEW AND APPROVE PROPOSAL FOR MEDIAN LANDSCAPE DESIGN SERVICES

The Board next deferred the review and approval of a proposal from Talley Landscape Services, Inc. for median landscape design services until next month's meeting.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Anel presented the attached Tax Assessor-Collector's report for the month of July. The Board reviewed the report and noted that the District collected 97.51% of its 2018 taxes through July 31, 2019. The Board next reviewed the attached Delinquent Collections List ("DCL") as of July 31, 2019, as prepared by W&A.

Ms. Anel next reviewed the attached report dated August 20, 2019, which had been prepared by Perdue, Brandon, Fielder, Collins & Mott L.L.P. Director Agard asked whether Wheeler sent the DCL to Perdue because he noticed the report from Perdue was the same as last month. Ms. Anel confirmed that Wheeler sent the DCL to Perdue. Director Adams noted that Mr. Richard Miller died a couple weeks ago and requested that the information on the report from Perdue be updated.

Mr. Howell entered the meeting at this time.

After review and discussion, Director Mays made a motion to approve the report and to authorize payment on the Tax Account for check nos. 4058 through 4073, inclusive, and a wire transfer, as identified in the report. Director Johnson seconded the motion, which carried unanimously.

TAX RATE ANALYSIS

The Board next received the Financial Advisor's recommendation concerning the establishment of the District's 2019 tax rate. Mr. Howell reviewed the attached Tax Rate Analysis, which included the financial advisor's recommendation that the District levy a 2019 debt service tax of \$0.44 per \$100 of valuation and a 2019 maintenance tax of \$0.25 per \$100 of valuation. Director Mays asked about the projected reserve balances and how they compare with those presented last year. She then requested that GMS prepare an analysis for setting a total tax rate of \$0.67 and \$0.68. After discussion, Director Johnson made a motion to authorize the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2019 debt service tax rate of \$0.44 per \$100 of valuation and a 2019 maintenance tax rate of \$0.25 per \$100 of valuation to be held at the District's next regular meeting. Director Agard seconded the motion, which carried unanimously.

OPERATOR'S REPORT

Mr. Villarreal next presented the attached report from WWWMS dated August 20, 2019, and reviewed same with the board.

Mr. Villarreal reported that special well pump samples from Water Plant No. 1 have been collected and day seven (7) samples are pending but should be received by the end of the week. He stated that the samples have been submitted to BGE.

Mr. Villarreal reported that he received two (2) additional proposals for sludge hauling since Sprint recently increased their prices. He then reviewed proposals from Sprint for a

twenty-yard sludge box for \$750 or \$37.50 per yard, K3BMI for a thirty yard roll off for \$675 or \$22.50 per yard, and Wastewater Transport Services for a twenty yard roll off for \$595.00 or \$29.75. The Board concurred to proceed with negotiating a contract with K3BMI for sludge hauling and requested that an item be added to the agenda for next month's meeting.

Mr. Villarreal reported that the belt on the belt press at the WWTP needs to be replaced and that WWWWMS will replace same for a cost of \$3,482.90 for two (2) belts.

Mr. Villarreal reported that WWWWMS will be meeting with Impulse System to install a primary and secondary pressure transmitter for backup in the event one fails. He stated that there will be a backup PSI transmitter on a selector switch.

Mr. Villarreal next discussed installing reflector bars at the end of Ironstone at the dead end. He stated that he has a quote from a local company. He also stated that the reflector bars are required to have red and white stripes. Mr. Villarreal stated that the cost is \$6,730.66 but that he will research other options and report to the Board next month.

Mr. Villarreal stated that Rally Construction, Inc. began mobilizing at the WWTP for the construction of the new outfall pipe project.

Mr. Villarreal reported that WWWWMS has been working with JP Morin on surge protection options at the WWTP and Water Plant. He stated that JP Morin noticed that the WWTP generator control board displays are facing the sun which is causing an inability to read the digital readings and a deterioration of the screen displays. He stated that JP Morin will prepare costs for replacement and placing them in enclosures.

Mr. Villarreal reported on the Lift Station on Antoine Drive. He stated that WWWWMS met with Source Point to inspect the work completed on the lift station pumps by R&B. Mr. Villarreal stated that Source Point approved the work completed by R&B and recommends that the repaired pumps be welded more securely. Mr. Villarreal stated that WWWWMS will prepare price quotes for welding the repaired pumps and also for new pumps. After discussion, the Board concurred that the final check be issued for payment to R&B.

Mr. Villarreal reported that the manhole replacement on South Camden and Loveland Pass has been completed.

Mr. Villarreal reported that the painting and sandblasting of the fire hydrants is almost complete and should be completed by the end of the week.

Mr. Villarreal reported that the fire hydrant in front of Paco's Tire Shop was knocked over and has been repaired and placed back in operation.

Mr. Villarreal reported that the lead and copper sample containers have been distributed to twenty (20) homes in the District. He stated that these homes were chosen several years ago and approved by the TCEQ. He noted that WWWWMS will ensure that the samples are collected

from all of the homes. Mr. Villarreal then discussed the process of how the residents are educated on collecting the samples and filling out the appropriate forms.

Ms. Marback next discussed an appeal from the customer residing at 11982 E. Marsham Circle. She reminded the Board that it previously denied the customer's appeal in February but offered the customer a payment plan, and that last month the customer requested that the Board consider a waiver of the penalty, late fee and door tag fee totaling \$102.55 and an extension of the payment plan to twelve (12) months. Ms. Marback stated that the Board approved the request to waive the penalty, late fee and door tag fee, since the customer requested the payment plan prior to the bill becoming delinquent, but that the customer is now refusing to follow through with the payment plan granted by the Board. She stated that the customer is requesting an additional adjustment on the past due amounts. After discussion, the Board denied the customer's request for an additional adjustment to the past due amounts.

Ms. Marback reported that the customer residing at 3911 Buckhurst is requesting an adjustment to the past due balance on the account reflecting high water usage since March. She stated that the landlord found a leak and repaired it, but after the repairs the water bill increased even higher. She noted that toilet and bathtub leaks were subsequently found and repaired. Ms. Marback stated that the customer is requesting an adjustment since the high usage was due to leaks that they informed the landlord about immediately. After discussion, the Board denied the request for an adjustment, but agreed to offer the customer a payment plan. The Board authorized WWWS to work with the customer on a five-month (5) payment plan.

Ms. Marback reported that the customer residing at 2707 N. Camden is requesting an adjustment to the past due and current amount of \$400.76 due to high water usage. She stated that the customer claims that there are no leaks in the home. Director Mays recommended a payment plan for the customer. After discussion, the Board denied the request for an adjustment, but agreed to a payment plan. The Board authorized WWWS to work with the customer on a six-month (6) payment plan.

Ms. Marback reported that the customer residing at 11907 Silver Island Circle is requesting a payment plan on a past due amount of \$959.46 plus a waiver of the \$75.00 deposit and \$25.00 reconnection fee. She stated that the customer's meter was pulled for non-payment and that she would like a payment plan to get water service turned backed on. After discussion, the Board agreed to a payment plan, pending receipt of a \$75.00 deposit, \$25.00 reconnection fee plus \$150.00 towards the past due amount. The Board authorized WWWS to work with the customer on a twelve-month (12) payment once payment has been received, as discussed above.

Ms. Richardson exited the meeting at this time.

Ms. Diane Johnson next addressed the Board and stated that she forgot to pay her water bill in April due to various medical issues. She stated that she realized she missed the payment in June and paid for both amounts. Ms. Johnson stated that she received a higher than normal water bill for July. She also stated that her water was disconnected and she would have liked better notification from WWWS prior to termination of service. Director Cadena agreed that WWWS needs to find a better way for notifying customers.

The Board next 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, except as noted above. Director Johnson seconded the motion, which carried unanimously.

After discussion, Director Johnson 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. No one present had anything to discuss.

STATUS OF MAINTENANCE OF PRIVATE PROPERTY

The Board next considered the status of maintenance of private property in the District. Mr. Ashcraft stated that the addresses of the subject properties in the District were sent to Director Adams to coordinate with Sergeant Russell regarding the matter.

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.

The Board next considered the approval of plans and authorizing advertisement for bids for the regrading and installation of concrete at the WWTP. Ms. Efaw stated that BGE is in the process of preparing plans.

The Board next considered the approval of plans and authorizing advertisement for bids for Water Plant No. 1 improvements. Ms. Efaw stated that BGE is in the process of preparing design plans and specifications.

The Board next considered the review of bids and award of construction contract for the elevated storage tank coating. Ms. Efaw reported that the plans were revised to relocate the floodlight on the District's property instead of in the Harris County right-of-way. She then reported that BGE advertised and received bids for the project and recommends awarding the contract to the low bidder, Nova Paintings, LLC, with a bid of \$438,250.00. She presented TEC Form 1295 in connection with same. After discussion, Director Mays made a motion to award the contract to Nova Paintings, LLC in the amount of \$438,250.00. Director Adams seconded the motion, with unanimously carried.

The Board next considered the approval of plans and authorizing advertisement for bids for the lift station no. 2 rehabilitation. Ms. Efaw stated that BGE is in the process of preparing the design plans and specifications.

The Board next considered the status of the construction contract with Tackle Construction Co., Inc. ("TCCI") for the manhole rim replacement. Ms. Efaw stated that TCCI completed the construction and coordinated with WWWS and Tolunay-Wong Engineers, Inc.

The Board next considered the status of the construction contract with Rally Construction, Inc. ("Rally") for the replacement of the outfall pipe at the WWTP. Ms. Efaw stated that the notice to proceed was issued on August 7, 2019 and that Rally commenced construction on August 19, 2019.

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 status of a Geographic Information System ("GIS") for the District and stated that BGE has completed the GIS and would like to schedule a special meeting to review the GIS with the Board.

Ms. Efaw reported that BGE will be coordinating with WWWS to conduct the yearly exterior tank inspections which are due to the TCEQ in September.

BOOKKEEPER'S REPORT

Ms. Morrison next presented the attached bookkeeping report dated August 20, 2019, open investment report, pledged securities report, profit and loss report and a report reflecting the District's debt service payments. After review and discussion, Director Mays made a motion to approve payment on the Operating Account, being check nos. 18391 through 18448, inclusive, on the Capital Projects Fund account, being check nos. 1504 through 1508, inclusive, and five (5) wire transfers, and on the Sewage Treatment Plant Account, being check nos. 4585 through 4601, inclusive, all as identified in the report. Director Adams seconded the motion, which carried unanimously.

ENGAGE ARBITRAGE COMPLIANCE SPECIALISTS, INC.

The Board next considered engagement of Arbitrage Compliance Specialists, Inc. relative to the District's Series 2015 Refunding Bonds. Mr. Ashcraft presented the engagement letter and executed TEC Form 1295 for the Board's approval. After discussion, Director Mays made a motion to approve the engagement letter and to authorize the President to execute same on behalf of the Board and District. Director Johnson seconded said motion, which carried unanimously.

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

The Board next considered a request from the NCM HOA for improvements at the park area located near the pool and community center. Director Mays presented the attached

proposals from Adventure Playground Systems for \$31,626.14 and McKenna Contracting for \$23,010 for playground improvements. After discussion, Director Adams made a motion to approve the proposal from McKenna Contracting for \$23,010, as discussed above. Director Agard seconded the motion, which unanimously carried.

CONSIDER DISCUSSION REGARDING GROCERY CART ISSUES

The Board next considered a discussion regarding stray grocery carts located throughout the District. Mr. Ashcraft asked the Board members to forward him pictures of the carts in the District so that he can forward them to his contact at Joe V's Smart Shop.

APPROVE RESOLUTION REGARDING INFORMATION STORED ON PRIVATELY-OWNED DEVICES

The Board next considered the approval of the attached Resolution Regarding Information Stored on Privately-Owned Devices. Mr. Ashcraft reported that Senate Bill 944 will require that a current or former officer or employee of a governmental body who maintains public information on a privately owned device to forward or transfer the public information to the governmental body or a governmental body server for preservation or preserve the information in its original form in a backup or archive and on the privately owned device for the time prescribed by the governmental body's records retention program. He stated that in order to comply with the requirements of Senate Bill 944, MRPC is recommending that each Board member transfer all public information created or received by such Board member to a Google email address for archiving with the District's records. He noted that MRPC has set up the email address of hcmud150@gmail.com for the District for such purposes. After discussion, Director Mays made a motion to approve the 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. He noted that MRPC will forward a memo to each Board member prior to September 1 giving information on best practices with respect to the implementation of the new law.

EXECUTIVE SESSION

The Board next deferred recessing into Executive Session 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.

RECONVENE IN OPEN SESSION

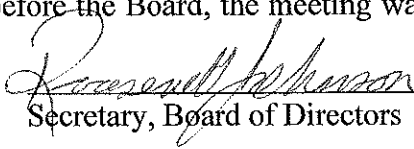
The Board next deferred taking action regarding the deployment, or specific occasions for implementation of security personnel or devices, or a security audit.

FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred to add the following items to the next agenda to consider: 1)

approval of a monthly deadline to submit customer appeals, 2) a discussion regarding tree removal impacting certain fences in the District, and 3) review and approval of a proposal from Yellowstone Landscape for landscaping maintenance.

There being no further business to come before the Board, the meeting was adjourned at 9:00 p.m.


Secretary, Board of Directors

ATTACHMENTS

August 20, 2019

1. Draft Audit for FYE 4/30/2019
2. Proposal from Today's Integration
3. Correspondence from Best Trash
4. Tax Assessor Collector Report
5. Delinquent Tax Report
6. 2019 Tax Rate Setting
7. Operations Report and related correspondence
8. Engineering Report and related correspondence
9. Bookkeeper's Report
10. Proposals for NCM Park Area Improvements
11. Resolution Regarding Information Stored on Privately-Owned Devices