

**MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS**

THE STATE OF TEXAS §

COUNTY OF HARRIS §

HARRIS COUNTY UTILITY DISTRICT NO. 15 §

The Board of Directors of Harris County Utility District No. 15 met in regular session, open to the public, at its meeting place inside the boundaries of the District, at 4127 Breckenridge, Houston, Harris County, Texas on April 26, 2016. The roll was called of the members of the Board of Directors, to-wit:

Eric Goodie	President
Leonard Mattox	Vice President
Bridgett D. Kelley	Secretary
Kevin Mosley	Treasurer
Phillip Givens	Assistant Secretary

All members of the Board were present.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Yvonne Luevano of Wheeler & Associates, Inc.; Greg Dubiel of Municipal Operations & Consulting, Inc.; Darrell Hawthorne of Municipal Accounts & Consulting, L.P.; Robert Atkinson of Edminster Hinshaw Russ & Associates; Greg Lentz of Hilltop Securities; and Dennis Tiff of Environmental Allies.

WHEREUPON, the meeting was called to order by the President, and evidence was presented that public notice of the meeting had been given in compliance with the law.

- 1. OPENING PRAYER.** Director Goodie led those assembled in prayer.
- 2. MINUTES OF MEETING.** The Board next considered approving the minutes of the meeting of March 22, 2016. It was moved by Director Mosley and seconded by Director

Kelley that the minutes of the meeting of March 22, 2016 be approved, which said motion carried unanimously.

3. PUBLIC COMMENTS. There were no public comments at this time.

4. DIRECTOR'S REPORTS. Director Givens discussed vendors for the Customer Appreciation Barbeque. Director Kelley stated they will use Directors Givens' vendor to give roses to mothers at the event.

5. GENERAL MANAGER'S REPORT. Director Givens reviewed the General Manager's Report.

Greg Dubiel discussed the door hangers announcing the use of smart meters to District customers. He stated they also found non-stop usage on certain customer accounts. Mr. Dubiel added that door hangers have been left at those addresses. Director Givens stated it is great to inform customers of high usage before the bill arrives.

Director Givens stated he has not yet received any feedback from the two HOAs regarding the Resolution for Security.

Director Givens reported 729 IRIS update forms were mailed in March and the District has received 46 of those back. He stated the District has received 212 forms back in the past three months.

Director Givens informed the Board construction has begun on the Greens Bayou Federal Project.

Director Givens stated the CUPPS software program is up to date.

Following further discussion, it was moved by Director Kelley, seconded by Director Mosley, and unanimously carried that the General Manager's report be approved.

6. JOINT OPERATIONS REPORT. The Board reviewed the Joint Water Plant report. Director Givens reported the well motor went out and it is currently under repair.

The Board next considered approval of the joint water plant budget for fiscal year ending March 31, 2017.

Following further discussion, it was moved by Director Mattox and seconded by Director Mosley that the joint water plant budget for fiscal year ending March 31, 2017 be approved, which said motion carried unanimously.

7. SERIES 2016 REFUNDING BONDS: AUTHORIZE PARAMETER SALE. Greg Lentz addressed the Board regarding the Parameter Sale of the District's 2016 Refunding Bonds. He discussed setting parameters for the sale of the refunding bonds such as the minimum percentage of savings (City of Houston requires at least 3%) and a maximum amount of bonds to issue. Mr. Lentz also discussed the G17 Disclosure. He stated the Underwriter is SAMCO Capital Markets, Inc. He next reviewed the Preliminary Official Statement with the Board.

Following further discussion, it was moved by Director Mattox and seconded by Director Mosley to authorize a Parameter Sale of the District's Unlimited Tax Refunding Bonds, Series 2016 with at least a savings of 3% and a maximum of \$6 million in principal, which motion carried unanimously.

The Preliminary Official Statement and the Rule 15c2-12 Certificate were presented to the Board for approval. Following further review and discussion, a motion was made by Director Mattox and seconded by Director Mosley that the Preliminary Official Statement and the Rule 15c2-12 Certificate be approved, which motion carried unanimously.

The Board next considered approving the Bond Order and Certificate for the Series 2016 Refunding Bond Issue. A motion was made by Director Mattox, seconded by Director Mosley, and unanimously carried that said Order and Certificate be approved and adopted.

The form of the Bond Purchase Agreement and Certificate Required by the Bond Purchase Agreement were presented to the Board. A motion was made by Director Mattox, seconded by Director Mosley, and unanimously carried that the Bond Purchase Agreement and Certificate Required by the Bond Purchase Agreement be authorized, and to further authorize the attorneys to date said Certificate at closing.

The Board next considered authorizing the Approval Certificate. A motion was made by Director Mattox, seconded by Director Mosley, and unanimously carried to authorize the President or Vice President to execute and approve the Approval Certificate and the completion of same in accordance with the approved parameters.

The Signature Identification and No-Litigation Certificate was presented to the Board. A motion was made by Director Mattox, seconded by Director Mosley that the Signature Identification and No-Litigation Certificate be approved and further that the attorney be authorized to date said Certificate at closing, and that the Attorney General be authorized to date said Certificate upon approval of the bond transcript, which motion carried unanimously.

The Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. was presented. A motion was made by Director Mattox, seconded by Director Mosley that said agreement be approved, which motion carried unanimously.

The Escrow Agreement with The Bank of New York Mellon Trust Company, N.A. was presented. A motion was made by Director Mattox, seconded by Director Mosley that said agreement be approved, which motion carried unanimously.

The Board next considered authorizing the Verification Report to be performed by Grant Thornton, LLP. A motion was made by Director Mattox, seconded by Director Mosley, and unanimously carried to authorize the Verification Report by Grant Thornton, LLP.

The Order Calling Bonds for Redemption and the Notice of Redemption to the Paying Agent/Registrar for the Refunded Bonds were presented to the Board. A motion was made by Director Mattox, seconded by Director Mosley that the Order Calling Bonds for Redemption and said Notice be approved, which motion carried unanimously.

The Board next reviewed the General Certificate and other Certificates for the Series 2016 Refunding Bonds. The Certificate states, among other facts, the District is in compliance with all applicable requirements of all regulatory agencies, including all applicable City of Houston Ordinances. A motion was made by Director Mattox, seconded by Director Mosley that the General Certificate and other Certificates be approved, which motion carried unanimously.

The Federal Tax Certificate, concerning the use of the proceeds of the Bonds and the exclusion of the interest from federal income taxation, was discussed by the Board. A motion was made by Director Mattox, seconded by Director Mosley that the Federal Tax Certificate to be prepared by Special Tax Counsel be approved, which motion carried unanimously.

A motion was made by Director Mattox, seconded by Director Mosley that the attorney for the District be authorized to obtain approval of the Attorney General of the State of Texas for the Series 2016 Refunding Bonds and to secure registration by the Comptroller of Public Accounts for such issue. Said motion carried unanimously.

A motion was made by Director Mattox, seconded by Director Mosley and unanimously carried that the financial advisor obtain CUSIP registration numbers for printing on the Series 2016 Refunding Bonds.

A motion was made by Director Mattox, seconded by Director Mosley and unanimously carried to authorize the execution of Initial Bonds and Definitive Bonds of the Series 2016 Refunding Bonds.

A motion was made by Director Mattox, seconded by Director Mosley that the attorneys for the District or the Paying Agent/Registrar, The Bank of New York Mellon Trust Company, N.A., be authorized by formal letter to receive the Series 2016 Refunding Bonds from the Comptroller of Public Accounts after registration, to exchange the Bonds for payment of the purchase price, and to complete the closing of the bond sale, which motion carried unanimously.

A motion was made by Director Mattox, seconded by Director Mosley to approve the final form of the Official Statement and Certification As To Official Statement, which motion carried unanimously.

The Board next considered authorizing the preparation and filing of the required IRS Form 8038-G. A motion was made by Director Mattox, seconded by Director Mosley that the IRS Form 8038-G be approved and filed with the Internal Revenue Service, which motion carried unanimously.

A motion was made by Director Mattox, seconded by Director Mosley to approve the Certificate Regarding Insurance and related commitment, which motion carried unanimously.

A motion was made by Director Mattox, seconded by Director Mosley and unanimously carried to approve the Information Required by the Public Securities Procedures Act and authorize the filing of same.

A motion was made by Director Mattox, seconded by Director Mosley and unanimously carried to approve the DTC Book-Entry Agreement, which motion carried unanimously.

A motion was made by Director Mattox, seconded by Director Mosley and unanimously carried that all other necessary documents be executed and that all other necessary actions be taken for the issuance of the Series 2016 Refunding Bonds.

8. TAX ASSESSOR/COLLECTOR REPORT. Yvonne Luevano presented the tax report for March, a copy of which is attached as Exhibit "A". The report reflected the District has collected 92.98% of its 2015 taxes and 99.05% of its 2014 taxes as of March 31, 2016.

Following further discussion, it was moved by Director Mosley and seconded by Director Kelley that the tax assessor/collector's report for the month of March be approved, which motion carried unanimously.

9. BOOKKEEPER'S REPORT, INVESTMENT REPORT AND PAYMENT OF BILLS. Darrell Hawthorne presented the bookkeeper's report, a copy of which is attached as Exhibit "B".

Following further discussion, a motion was made by Director Mosley and seconded by Director Kelley that the bookkeeper's report be approved, that the checks listed therein be approved. Said motion carried unanimously.

10. RESOLUTION REQUESTING USE OF SURPLUS FUNDS. The Board considered approving the Resolution Requesting Use of Surplus Funds, a copy of which is attached as Exhibit "C". Mr. Richardson explained \$249,005.00 in surplus funds will be transferred to reimburse the Operating Account for the installation of smart meters on approval is received from the TCEQ.

Following further discussion, it was moved by Director Givens and seconded by Director Mosley that the Resolution Requesting Use of Surplus Funds be approved and to authorize the District's attorney to file same with the TCEQ, which motion carried unanimously.

11. OPERATOR'S REPORT. Greg Dubiel presented the monthly operator's report, a copy of which is attached as Exhibit "D". Mr. Dubiel reported there are 944 active connections in the District and no new taps. He also reviewed the preventative maintenance program.

Mr. Dubiel next presented the write-off list and delinquent list for approval.

Following further discussion, it was moved by Director Mattox and seconded by Director Mosley that the operator's report be approved, that the delinquent list be approved, and that the uncollectible list be approved, which motion carried unanimously.

12. IDENTITY THEFT PREVENTION PROGRAM. The Board next reviewed the Identity Theft Prevention Program. Mr. Richardson presented the Order Reviewing and Confirming Identity Theft Prevention Program for the Board's approval, a copy of which is attached as Exhibit "E". Mr. Dubiel stated he does not recommend any changes to the program at this time.

Following further discussion, it was moved by Director Mattox and seconded by Director Kelley that the Order Reviewing and Confirming Identity Theft Prevention Program be approved, which motion carried unanimously.

13. EMERGENCY PREPAREDNESS PLAN. The Board reviewed the Emergency Preparedness Plan. Mr. Richardson presented for approval the Order Reviewing Emergency Preparedness Plan and Authorizing Submittal of Critical Load Information, a copy of which is

attached as Exhibit "F". Mr. Richardson recommended the Board authorize the operator to update the critical load information with its electrical transmission and retail providers.

Following further discussion, it was moved by Director Mosley, seconded by Director Mattox and unanimously carried that the Order Reviewing Emergency Preparedness Plan be approved, and to authorize the operator to update the critical load information with its electrical transmission and retail providers.

14. REVIEW OF OPERATING AGREEMENT. The Board tabled this item.

15. QUARTERLY DETENTION POND MAINTENANCE REPORT. Dennis Tiff reported there is erosion on a certain property in the District after the recent rain event. He stated all of the other ponds look good. Mr. Atkinson stated he will investigate the ownership of the property with the erosion.

16. STORM WATER QUALITY PERMIT RENEWAL APPLICATION. The Board considered authorizing the engineer to submit the Storm Water Quality Permit Renewal Application for the West Greens Business Park Detention Basin. Mr. Atkinson stated the application is not due yet. The Board tabled this item.

17. ENGINEER'S REPORT. Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "G". Mr. Atkinson informed the Board the developer of the proposed hotel facility on Veterans Memorial has inquired about purchasing capacity in the wastewater line because of the close proximity to the project. He presented an analysis of the cost for the capacity of the wastewater line owned by Harris County MUD No. 33, which will be \$5,820.30. Mr. Atkinson recommended seeking a deposit.

Mr. Atkinson reported the operator has performed a camera survey on the sewer line in question concerning the inflow and infiltration into the Sanitary Sewer Line that the District

shares with Harris County UD No. 14. He stated the operator found no leaks in the area that would cause the sink hole.

Mr. Atkinson informed the Board the developer of the First Industrial Detention Basin is preparing the property descriptions for the transfer of the Detention Basin to the District.

Following further discussion, a motion was made by Director Kelley, seconded by Director Mosley, and unanimously carried that the engineer's report be approved.

18. PARKS PLAN. The Board tabled this item.


19. DISTRICT RECORD RETENTION POLICY. The Board next considered approval of the review of the District's Record Retention Policy.

Following further discussion, it was moved by Director Kelley and seconded by Director Mosley that the review of the District Record Retention Policy be approved, which motion carried unanimously.

CLOSED SESSION. The Board requested a closed session be convened to discuss the Joint Water Plant litigation. The Board entered closed session at 8:30 p.m. and reconvened in open session at 8:35 p.m.

20. ADJOURNMENT. There being no further business to come before the Board, it was moved by Director Mattox, seconded by Director Kelley that the Board meeting be adjourned, which motion carried unanimously.

PASSED, ADOPTED and APPROVED this 24th day of May, 2016.


Secretary

