

**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 October 24, 2017. 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 & Associate; and Joe Valley 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. 2017 TAX RATE PUBLIC HEARING.** The Board President called to order the Public Hearing on the 2017 Tax Rate at 6:06 p.m. The Board noted that no taxpayer

appeared to take part in the Public Hearing, as published by law. The Board President then closed the Public Hearing at 6:26 p.m.

3. 2017 TAX RATES. The Board considered setting the 2017 Debt Service Tax Rate at \$0.15. The Order Setting 2017 Debt Service Tax Rate was presented for approval, a copy of which is attached as Exhibit "A".

The Board next considered setting the 2017 maintenance tax rate at \$0.58. The Order Setting 2017 Maintenance Tax Rate was presented for approval, a copy of which is attached as Exhibit "B".

Following further discussion, it was moved by Director Givens and seconded by Director Mattox to approve setting a \$0.15 debt service tax rate and a \$0.58 maintenance tax rate, and that the Order Setting 2017 Debt Service Tax Rate, and the Order Setting 2017 Maintenance Rate be approved, which motion carried unanimously, 5-0.

4. AMENDMENT TO NOTICE TO SELLERS AND PURCHASERS. Chris Richardson presented the Amendment to Notice to Sellers and Purchasers of Real Estate Within the District, a copy of which is attached as Exhibit "C". Mr. Richardson explained the Notice reflects the 2017 tax rate and will be filed in the Real Property Records of Harris County, Texas. It was moved by Director Mosley and seconded by Director Mattox that the Amendment to Notice to Sellers and Purchasers of Real Estate Within the District be approved, which motion carried unanimously, 5-0.

5. MINUTES OF MEETINGS. The Board next considered approving the minutes of the meetings of September 21, 2017 and September 26, 2017. It was moved by Director Mosley and seconded by Director Mattox that the minutes of the meetings of September 21, 2017 and September 26, 2017 be approved, which motion carried unanimously, 5-0.

6. PUBLIC COMMENTS. Director Goodie reported Denise Smith provided a note about the Town Hall meeting informing the Board she received two phone alerts and some residents received emails or texts regarding the meeting. Ms. Smith also indicated she received the flyer after the Town Hall meeting. Director Givens suggested there may have been a problem with her mail.

7. DIRECTOR'S REPORTS. Director Goodie thanked the Board members regarding the Town Hall meeting. Director Givens reported he sent thank you notes to all of the agencies that participated in the meeting. Director Mattox added that it was an outstanding event and many people appreciated the District's lead on the matters.

Director Mattox reported an electrician will need to inspect the lights at the meeting facility and the gutters need to be cleaned.

Director Goodie appointed Director Mattox to review the Tax Assessor-Collector Agreement.

8. GENERAL MANAGER'S REPORT. Director Givens presented the General Manager's Report. He reported there were 100 RSVPs on the website for the Town Hall meeting. He also reported three IRIS alerts regarding the Town Hall meeting were sent to customers.

Director Givens informed the Board the "Value of Water" campaign will begin in January rather than November.

The Board discussed the proposals for the District building from Story Architects and Purser Architectural, R.D. Director Givens stated he will send out dates for a special meeting.

Director Givens discussed the District's GIS database. He informed the Board that Mr. McCoy is retiring and the District's engineer will take over working with the database service.

Director Givens reported an update on the Greens Bayou Federal project was provided during the Town Hall meeting. He stated there is no significant new development.

Following further discussion, it was moved by Director Mattox, seconded by Director Kelley, and unanimously carried that the General Manager's report be approved, 5-0.

9. JOINT OPERATIONS REPORT. The Board reviewed the Joint Water Plant report for October.

Director Givens reported the District is still not receiving the Joint Wastewater Treatment Plant report from JePa Services. He stated the attorney's office sent an email to JePa Services requesting the report.

10. TAX ASSESSOR/COLLECTOR REPORT. Yvonne Luevano presented the tax report for September, a copy of which is attached as Exhibit "D". The report reflected the District has collected 98.26% of its 2016 taxes and 99.26% of its 2015 taxes as of September 30, 2017.

Ms. Luevano informed the Board they received and accepted the base tax payment from Tadano Construction, but she is not sure if the penalty and interest will remain due. She explained there was a possible error at HCAD, which may invalidate the penalty and interest.

Ms. Luevano reported fifteen delinquent accounts did not respond to the water termination letters. The delinquent tax attorney is requesting authorization to terminate water service.

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 September be approved, and to approve terminating water service to the delinquent accounts discussed, which motion carried unanimously, 5-0.

11. BOOKKEEPER’S REPORT, INVESTMENT REPORT AND PAYMENT OF BILLS. Darrell Hawthorne presented the bookkeeper’s report, a copy of which is attached as Exhibit “E”.

Following further discussion, a motion was made by Director Mosley and seconded by Director Mattox that the bookkeeper’s report be approved, and that the checks listed therein be approved. Said motion carried unanimously, 5-0.

12. RESOLUTION AUTHORIZING SURPLUS FUNDS. The Board tabled this item.

13. JOINT WATER PLANT BUDGET FOR FISCAL YEAR ENDING MARCH 31, 2018. Director Givens reported the Joint Water Plant budget was received in April. Following further discussion, it was moved by Director Mattox and seconded by Director Mosley to adopt the Joint Water Plant budget for fiscal year ending March 31, 2018, which motion carried unanimously.

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

15. OPERATOR’S REPORT. Greg Dubiel presented the monthly operator's report, a copy of which is attached as Exhibit “F”. Mr. Dubiel reported there are 946 active connections in the District and no new taps. He also reviewed the preventative maintenance program and the call log.

Mr. Dubiel next presented the write-off list and the delinquent list for approval. He stated there are two write-offs which total \$158.23.

Mr. Dubiel informed the Board a resident indicated they would attend the Board meeting to discuss their high water bill. He stated the system showed high usage for a few days and then it returned to normal. Mr. Dubiel stated the high usage is likely due to a toilet that is stuck and

continues to run. He further stated that the customer would not accept the explanation given by his office.

Mr. Dubiel discussed the high water bill at Western Properties Shopping Center. He stated the customer had a toilet repaired. Mr. Dubiel added that the customer notified his office and they are still investigating the issue.

Mr. Dubiel next discussed the force main pit. He stated the fence needs to be constructed in the easement area at Greens Road and Greens Bayou, which will cost approximately \$4,000.

Following further discussion, it was moved by Director Mattox, seconded by Director Mosley that the operator's report be approved, that the write-off list be approved and that the delinquent list be approved, which motion carried unanimously, 5-0.

16. REVIEW OF OPERATING AGREEMENT. Director Kelley discussed her review of the Operating Agreement. She informed the Board the operator has presented a proposed rate increase. Mr. Dubiel explained the credit card convenience fee is being reduced to 3%, which is a pass-through. He reviewed the operational improvements. Mr. Dubiel stated the last operating rate increase was in 2008. He presented an Amendment to the Operating Agreement for approval, a copy of which is attached as Exhibit "G".

Director Kelley recommends the Board retain Municipal Operations & Consulting as the District's operator.

Following further discussion, it was moved by Director Kelley and seconded by Director Mattox to retain Municipal Operations & Consulting as the District's operator, and to approve the Amendment to the Operating Agreement, which motion carried unanimously, 5-0.

17. DETENTION POND MAINTENANCE REPORT. Joe Valley presented the Detention Pond Maintenance Report. He informed the Board the fall fertilization will be complete by middle of November.

18. ENGINEER'S REPORT. Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "H".

Mr. Atkinson informed the Board they were able to locate a 20-foot temporary water line easement, which goes through the property with the "Haunted Woods", in the Harris County Clerk records. He stated when the property is platted the easement will become permanent.

Mr. Atkinson discussed the First Industrial Warehouse. He stated he will have the developer's surveyor locate the property descriptions for exhibits to the transfer documents.

Mr. Atkinson reported construction is proceeding on the hotel project on Veterans Memorial. He stated Harris County is requesting the developer provide an easement.

Following further discussion, a motion was made by Director Mosley, seconded by Director Kelley, and unanimously carried that the engineer's report be approved, 5-0.

19. INTERCONNECT WATER METER INSTALLATION. The Board tabled this item.

20. REVIEW OF ENGINEERING AGREEMENT. The Board tabled this item.

21. FIRST INDUSTRIAL TRACT EASEMENTS AND CONVEYANCES. The Board tabled this item.

22. REVIEW OF LEGAL FEE AGREEMENT. The Board tabled this item.

23. DESIGNATION OF OFFICE LOCATION OUTSIDE DISTRICT. The Board next considered approval of the Order Designating Office Sites Outside the District. Mr. Richardson stated the bookkeeper has a new office location, and the District needs to designate

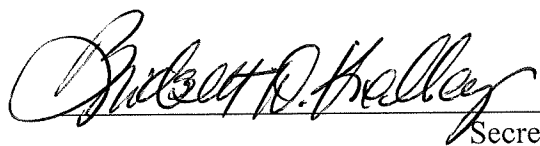
that address as an office and meeting place outside the District boundaries. Following further discussion, a motion was made by Director Mattox, seconded by Director Kelley to approve the Order Designating Office Sites Outside the District, a copy of which is attached as Exhibit "I" and authorize publication of the related Notice, which motion passed unanimously, 5-0.

24. 2018 DISTRICT CALENDAR. The Board considered approving the 2018 District Calendar. Following further discussion, it was moved by Director Mattox and seconded by Director Mosley that the 2018 District Calendar be approved, which motion carried unanimously, 5-0.

25. OTHER ITEMS. The Board discussed holding a Consultant Appreciation Dinner. Director Kelley stated she will provide dates to consider for the dinner.

26. 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, 5-0.

PASSED, ADOPTED and APPROVED this 28th day of November, 2017.


Secretary

