

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
SEPTEMBER 12, 2019**

**STATE OF TEXAS §
 §
COUNTY OF HARRIS §**

The Board of Directors of Harris County Municipal Utility District No. 23 of Harris County, Texas, met in regular session, open to the public, beginning at 6:30 P.M. at the regular meeting place inside the District on the 12th day of September, 2019, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Oscar Dominguez	President
Jeffrey Blackwell	Vice President
Jim Haney	Secretary
Christy Shepard	Treasurer
Will Ross	Assistant Secretary/Treasurer

and all of said directors were present excepting Director Shepard who arrived after the start of the meeting, thus constituting a quorum.

Persons also present included:

Kim Courte of W.I.N. with Arthur J. Gallagher;
Josh Rambo with McCall Gibson Swedlund Barfoot PLLC;
Bill Blitch of Blitch Associates, Inc.;
Janelle Walker, President of Courtyard Glen HOA;
Wally Byers, a resident of Courtyard Glen;
Essa Ibrahim of the Sheriff's Department;
Paul Anderson with EHRA, engineer for Harris County MUD No. 220;
Kandy Pfeffer and Pat Hall of ETI Bookkeeping and Tax Services;
Doug Jeffrey of TNG Utility Corp;
John Sherrington, P.E. of Sherrington-Humble, LLC; and
Cindy Nichols of Michael A. Cole, P.C.

EFFECTIVE TAX RATE CALCULATION

Bill Blitch discussed and reviewed different tax rate scenarios with the Board. At the conclusion of discussion, Mr. Blitch recommended the District levy the rollback rate of \$0.4568 per \$100 assessed valuation for maintenance and operations for the 2019 tax levy and authorize same for publication. He noted this would result in an approximate \$45 increase per annual taxpayer bill. The Board tabled action on the matter until Director Shepard joins the meeting.

CUSTOMER COMMENTS, QUESTIONS, AND REQUESTS

Janelle Walker inquired about the status of the District's annual \$4,200 payment to Courtyard

Glen HOA to cover park maintenance. Kandy Pfeffer said that the District has not yet received an invoice. Ms. Walker thanked the Board for doing a good job and for treating Courtyard Glen fairly. Director Dominguez commented that Ms. Walker's thanks is contrary to Mr. Wally Byers' comments at the Board's last meeting. Ms. Walker stated that she had recently contacted Director Haney concerning a trash pickup complaint and thanked him for his quick response in handling the matter.

SECURITY REPORT

Deputy Ibrahim provided a report and stats for the prior month. Discussion was had about happenings at the park and Deputy Ibrahim reported that he sits there sometimes in his patrol car, but nothing ever happens while he is there. Director Haney reminded everyone that the District is sponsoring Neighbors Night Out at the Woodland Trails park the evening of October 1, 2019.

MINUTES

Director Blackwell moved the approval of the August 8 minutes with a correction to the spelling of Deputy Romine's name, which motion was seconded by Director Haney and carried by unanimous vote.

CONSENT AGENDA

BOOKKEEPER AND TAX ASSESSOR COLLECTOR REPORTS

Kandy Pfeffer presented the bookkeeper, investment officer and tax assessor/collector's reports. She reported that an additional deposit will be requested from CCR Racing Ventures, LLC to cover a \$450 balance owing. In response to Director Haney, Ms. Pfeffer said she will check with Bill Blitch as to the possibility of the District paying additional principal on its debt service payments. The District's 2018 tax levy is 98.6% collected.

In response to a query of Director Dominguez, Pat Hall stated that she agrees with Bill Blitch's recommendation for the District to levy the rollback rate of \$0.4568 per \$100 assessed valuation for maintenance and operations for the 2019 tax levy and to authorize publication of same.

ENGINEERING REPORT

John Sherrington presented the engineer's report. He reported that with regard to the regional wastewater treatment plant, it is still on schedule to complete on time; that he recommends approval of the proposal of Phoenix Coating Surveillance to inspect the interiors of the ground storage and hydro-pneumatic tanks at water plant #2 in the amount of \$1,250.00; as earlier reported by the bookkeeper, CCR Racing has exceeded its deposit resulting in a current balance owing of \$450.00; that the civil site design engineer for the 5.680 acre tract between Summertree Drive and Country View Drive has requested a water and wastewater treatment capacity commitment letter and he is reviewing the site plan; he sent requested information to Harco Insurance to provide an insurance quote to the District; and that he provided PDF copies of design drawings of water and wastewater lines crossing White Oak Bayou to an engineering firm contracted by Harris County Flood Control

District. Director Haney said he will invite Will Sherman and James Wade of Precinct 4 Harris County Flood Control District to attend the Board's next meeting. **Director Blackwell moved approval of the proposal of Phoenix Coating Surveillance to inspect the interiors of the ground storage and hydro-pneumatic tanks at water plant #2 in the amount of \$1,250.00, which motion was seconded by Director Haney and carried by unanimous vote.**

UTILITY OPERATOR

Doug Jeffrey presented the utility operator's report, reporting 94.67% water accountability for the month and 96.74% for the prior 12 month period. There were no excursions to report. He reported that the homeowner at 8422 Holmwood has concerns after the operator tunneled under his driveway to make a main break repair. The homeowner requested the District replace that particular section of the driveway, but Mr. Jeffrey recommended that the District repair the section of driveway and monitor it, and if later warranted replace that section of the driveway. Mr. Jeffrey will send a letter to the homeowner to that effect.

Mr. Jeffrey next reported that as a result of the District's most recent audit, it was discovered that subcontractor invoices that were supposed to be paid directly by the District had been paid by the utility operator with an additional 10% charge, which resulted in about \$27,000 overcharge since the beginning of 2018. A short discussion was had and **Director Haney moved that the District split the overcharge with the utility operator and that the utility operator refund the District half of the \$27,000 overcharge, subject to agreement by TNG. The motion was seconded by Director Blackwell and carried by unanimous vote.**

DISTRICT INSURANCE

The Board reviewed the proposals for insurance from W.I.N. with Arthur J. Gallagher and Harco Insurance. Kim Courte with W.I.N. was present and reviewed the proposal with the Board. She recommended the Board purchase the law enforcement coverage. It was noted that Harco uses TML, which is a risk pool. At the conclusion of review and discussion of the proposals, **Director Shepard moved that the District accept the insurance proposal of W.I.N. with Arthur J. Gallagher for the period beginning October 1, 2019 and ending September 30, 2020. The motion was seconded by Director Blackwell and carried by unanimous vote. Director Shepard then moved that the District purchase the law enforcement coverage for an additional premium of \$1,000, which motion was seconded by Director Ross and carried by unanimous vote.**

ANNUAL AUDIT

Josh Rambo presented the draft annual audit report. He reported a clean opinion and that the District has healthy general fund, debt service fund and capital projects fund balances. At the conclusion of review of the **draft annual audit, Director Blackwell move its acceptance as presented, which motion was seconded by Director Haney and carried by unanimous vote.**

EFFECTIVE TAX RATE CALCULATION (Continued)

Director Shepard reviewed the tax rate calculation presented by Bill Blitch. **Director Haney moved the District authorize the tax assessor/collector to publish an effective tax rate calculation of \$0.4568 per \$100 assessed valuation for maintenance and operations as recommended by Bill Blitch and agreed to by Pat Hall. The motion was seconded by Director Shepard and carried by unanimous vote.** The attorney's office was directed to place items on the next agenda for a public hearing on the proposed 2019 tax rate and order levying taxes for 2019.

ATTORNEY REPORT

There was no attorney report for tonight's meeting.

TAX ASSESSOR/COLLECTOR'S CONTRACT INCREASE

Director Haney moved acceptance and approval of the tax assessor/collector's contract rate increase, which motion was seconded by Director Blackwell and carried by unanimous vote.

BUILDING COORDINATOR'S REPORT

Director Haney provided a building coordinator's report. Director Blackwell responded to Wally Byers that heavy trash pickup is on all trash pickup days.

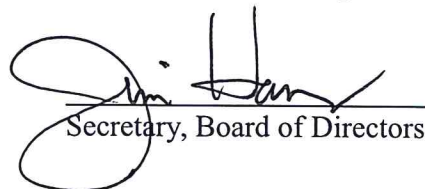
CONSENT AGENDA

Director Shepard moved the approval of the matters addressed in the consent agenda including terminating accounts with delinquent water bills for which notice of this meeting and an opportunity to appear and show cause why such termination action should not occur had been given, which motion was seconded by Director Blackwall and carried by unanimous vote.

There were no comments from Paul Anderson with District 220.

There being no other business to come before the Board the meeting was adjourned.

(SEAL)


Secretary, Board of Directors

**COMMITMENTS FOR ACTION
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
MEETING OF SEPTEMBER 12, 2019**

ATTORNEY

To continue efforts to effect resolution of dispute with District 220; contact the fine screen maintenance company; prepare encroachment agreement if determined necessary; put items on next agenda for public hearing on proposed tax levy and order levying taxes for 2019.

ENGINEER

Nothing specific required.

OPERATOR

Back charge fiber optics company for line break repairs on Gatehouse, repair service lines; and send letter to homeowner at 8422 Holmwood Drive that the District will repair the section of driveway and monitor it and if it later warranted will replace that section of the driveway.

BUILDING COORDINATOR

Check on the light outside the building and install the two thermostats, if not already done and to invite Will Sherman and James Wade of Precinct 4 Harris County Flood Control District to attend next meeting.

BOOKKEEPER and TAX ASSESSOR/COLLECTOR

Request additional deposit from CCR Racing Ventures, LLC to cover a \$450 balance owing; and check with Bill Blitch as to the possibility of the District paying additional principal on its debt service payments; and publish effective tax rate as directed.