

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
SEPTEMBER 10, 2020**

**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 10th day of September, 2020, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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

and all of said directors were present, thus constituting a quorum.

Persons also present in the meeting or via Zoom included:

Essa Ibrahim of the Sheriff's Department;
Janelle Walker of Courtyard Glen;
Daniel Hayden, Engineer for District 220;
and via telephone and video:
Kandy Pfeffer of ETI Bookkeeping and Pat High of Equi-Tax, Inc.;
John Sherrington, P.E. of Sherrington-Humble, LLC;
Doug Jeffrey of TNG Utility Corp;
Bill Blich of Blich & Associates; and
Michael A. Cole of Michael A. Cole, P.C.

CUSTOMER COMMENTS, QUESTIONS, AND REQUESTS

Janelle Walker explained that in Courtyard Glen the sidewalk on Gatehouse has a problem with it being undermined by a sinkhole. TNG said they would send out a man to investigate it. She expressed appreciation for the tree replacements and asked that the District look into replacing some of the trail gravel. Director Blackwell said he would look into the matter.

SECURITY REPORT

Officer Ibrahim presented the brief security report reflecting the usual activities. He reported there had been a robbery in the District and that the teenage perpetrator had been apprehended and capture. He also reported problems with cars parking so as to block access to mailboxes. No action

was taken by the Board and he was thanked for his report.

EFFECTIVE TAX RATE

The District then explored with its financial advisor, Bill Blich and Tax Assessor-Collector what the District should establish as its effective tax rate for the 2020 tax levy. He explained that there had been a 6% increases in valuations and that by most measures the District was a “Developed District” meaning that it was subject to the more stringent standards for establishing the effective tax rate and that this was reflected in the analysis prepared by the District’s Engineer. He suggested that there was a 3.5cent limit on the permissible increase in the tax rate, all of which is a maintenance tax and that a tax rate of 43.83 cents per hundred dollars of assessed valuation, would yeild an overall increase in the total levy of \$16,000. Director Blackwell moved that this be adopted as the effective tax rate for the District, that the required publication of this and the date and time of the hearing for the adoption of the levy be authorized with the date of the meeting being that of the October meeting all of which was based upon the analysis of Mr. Blich and the finding of the District being a “Developed District” as described in the Engineers analysis, which motion was seconded by Director Dominguez and carried unanimously. Ms Hall indicated timely notice would be published as done in prior years. The Board asked that the rates be reviewed as Ms. Pfeffer had requested as to their adequacy for achieving the income required for debt service. Mr. Blich responded that he would make a review for the District’s next meeting.

AUDIT

Brian _____ presented the audit for the fiscal year ending May 31, 2020. He said that the revenue structure with 4.5 million dollars in the General Fund looks go given that equates to 3 years in operating reserves. Additionally he complimented the District on making a \$240,000 contribution to the Debt Service Fund. At the completion of the review and a request by Director Dominguez for a hard copy of the Audit, Director Shepard moved its approval and filing, which motion was seconded by Director Black and carried unanimously.

MINUTES

Director Blackwell moved the approval of the minutes of the August meeting with a correction of the word “plumbing” on the first page and the inclusion of ION referencing the program to monitor water usage, which motion was seconded by Director Dominguez and carried unanimously.

CONSENT AGENDA

BOOKKEEPER AND TAX ASSESSOR COLLECTOR REPORTS

Ms. Pfeffer presented the bookkeeper and investment officer’s reports. She noted that there is now a clearing account with Central Bank and that enough money is being left in it to cover bills. She also noted that Excel Groceries billing effected a significant variance which she would check before the next meeting. It was also reported that tax collections were 97.63% complete for 2019 and

100% for out of District payments in lieu of taxes.

ENGINEERING REPORT

John Sherrington's written report was presented, but not thoroughly reviewed because of technical difficulties and so the operator was next heard.

UTILITY OPERATOR REPORT

Doug Jeffrey submitted his report. He reported there was a 97.63% water accountability rate; that the sewage treatment plant had been operated within permit limits for the month; and that the top delinquency was not reflective of there having been a \$500 payment made on the account. A discussion followed on termination policies. A consensus emerged that if a customer had made no payments during the pandemic and given notice of an opportunity to appear before the Board to contest a billing, or they had not paid since May and been given such notice they would have service terminated. A motion to this effect was made by Director Blackwell, seconded by Director Ross and carried unanimously.

The house on Mavwood shares a sewer line inside of the curve on the other side of the street and in order to get beyond the blockage Wesley Wright thinks he can re-bore or construct a new line in place of the blocked line which would correct the problem of the blockage with a savings in overall costs. It was suggested that the overall price could be under \$15,000. He said that he would try the line before proceeding and expressed the view that there is a line separation which is causing the problem. No objection was made to his proceeding in this manner.

ENGINEER REPORT

The Engineer's report was presented by John Sherrington. He projected that there would be approximately \$207,000 in surplus funds after the full completion of the sewage treatment plant. It was also reported that Stewart Schaeffer had represented that the cost to maintain the rolling screen at the plant would be about \$1,500. The proposal for the annual maintenance of the drum was submitted from Global Wet LLC. It was explained that the original drum was made by Wes Tec and that it was going out of business. Director Blackwell moved that execution of the Agreement be authorized with Global effective at the date of completion of the sewage treatment plant, which motion was seconded by Director Dominguez and carried unanimously. The Board was next informed that GM Services had concluded their testing of Water Plant No. 1 and found that there was good production but that the well continued to have problems with suspended solids. He suggested that it may need cleaning eventually.

With regards Water Plant No. 2 he reported little change in the GM Services report. He noted that he had emailed Daniel Hayden the latest version of the District's Capital Improvements Project report. He reported preparing an exhibit for the Attorney's Letter to Judge Hidalgo. He said that the TCEQ had recently changed its standards for calculating the number of equivalent single family homes when apartments are being considered. However he did proceed to prepare a letter report as requested by the Attorney for determining whether the District was a Developed or Developing District, which was now somewhat mooted by the Board and financial advisor reasonably concluding that the District was a "Developed District" and subject to the lower limitation of 103.5% cap on its tax rate before a

roll back tax election is triggered.

ATTORNEY REPORT

The attorney's report was presented almost all of which had already been covered in the meeting. He said that the preparations for the Director's Election appears to be in good shape; that the early voting would begin at the District's meeting place on October 19 and end of October 30 and that the election day voting would occur at St. Matthew Evangelist Catholic Church, 9915 Hollister. He said he had contacted the Church which consented to the use of the space with the County for the District's election day vote and that it would charge the District the same as the County, namely \$100. Director Shepard moved the approval of the report and the arrangement for the use of the Church as the Election Day voting poll for the District, which motion was seconded by Director Blackwell and approved unanimously.

BUILDING COORDINATOR'S REPORT

Director Haney reported that the building did not have much in the way of bookings and that generally all was well otherwise.

CONSENT AGENDA

Director Shepard moved the approval of the matters addressed in the consent agenda, which motion was seconded by Director Dominguez and carried by unanimous vote.

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 10, 2020**

BOOKKEEPER

Nada

ATTORNEY

Prepare for Directors Election and write a letter to Judge Hidalgo for Board review at next meeting. Attorney to revise the Hidalgo letter.

ENGINEER

Meet with City representatives regarding service to areas south of the Bayou; prepare projections for GWR program when the pandemic restrictions are relaxed. send Mr. Hayden, the Engineer for District 220 the latest capital improvements plan, and follow-up with County re drainage construction plans and house buy-outs. Principally make sure that wastewater treatment plant construction completes satisfactorily.

BUILDING COORDINATOR

Check on the light outside the building and install the two thermostats, if not already done and work with Engineer to consult with County on future plans for flood control. Purchase I-pad or similar device at not to exceed \$1,000 and television and moving table.

OPERATOR

Hook-up Solanos Make Corona high water bill revisions; trim trees on fence line; take down Water Plant No. 1. Have Wesley do the bore and coordinate the cost issue.

Please note that the Central Bank documentation purported to have been signed by Directors and Central Bank and is presumably complete.