

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
MARCH 11, 2021**

**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 11th day of March, 2021, 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, Officer Romaine of the Sheriff’s Department;
Jeanelle Walker and Wally Byers of Courtyard Glen;
Lillian Krolcyk of Woodland Trails West;
Jennifer Landreville of ETI Bookkeeping and for Equi-Tax, Inc (remotely).;
Daniel Hayden, Engineer for District 220 (remotely);
Cori Cornwell of Flock Camera;
John Sherrington, P.E. of Sherrington-Humble, LLC (remotely);
Doug Jeffrey of TNG Utility Corp (remotely); and
Michael A. Cole of Michael A. Cole, P.C.

Directors acknowledged the very recent loss of Director Haney’s father and offered their thoughts and prayers, following which the meeting was opened by a prayer.

DISTRICT RESIDENT COMMENTS

Lillian Krolcyk, a 24 year resident of Courtyard Glen Subdivision, was introduced to the Board and welcomed to the meeting.

SECURITY REPORT

The report was delivered by Essa Ibrahim. He indicated that there had been a few car burglaries but that the incidence of crime seems to be down and maybe due to the effect of the use

of the cameras by Flock. The Flock representative said that he was trying to work with the Sheriffs Department to be coordinate the security efforts but that he had not yet been able to contact the person with whom he needs to talk.

MINUTES

Director Dominguez moved the approval of the February meeting with numerous corrections including correction in the spelling of David Wright, the spelling of Kandy's name, the correction in the annual amount which Courtyard Glen appreciates is \$4,000 and not \$200 and that Pete Peterson of District 220 was in attendance of the meeting. The motion was seconded by Director Ross and carried unanimously.

CONSENT AGENDA

BOOKKEEPER, INVESTMENT OFFICER AND TAX-ASSESSOR COLLECTOR REPORT

Ms. Landreville presented her report along with a draft budget which must be approved no later than the May meeting. She asked that Directors and consultants review it and offer their suggestions so that she could timely revise it for a May approval. After the presentation of the bookkeeper report she submitted that for the Tax-Assessor Collector which reflected a 91.1% collection of the 2021 levy.

ENGINEER REPORT

Mr. Sherrington presented his report. He said that N & S was working on completing Change Order No. 3 and that the concrete apron should be in and that the operator would receive the keys to the plant probably in the next week. For purposes of the warranty, January 14 is being used so that the 1 year warranty will run from that date and that "as built" drawings should be finished in the next week or so. With regard to projects which might be undertaken to expend surplus bond proceeds from the 2018 bond issue, he estimated that approximately \$180,000 will remain to be expended at the conclusion of the STP rehabilitation and he thinks work on the water plant presents a perfect possibility to expend all of those funds prior to November 2021 and thus assure compliance with the arbitrage tax provisions. In response to another query he suggested that the fine screen is close to being operational and he did mention that at some point in the future it will need to be replaced as it is already becoming challenging to find replacement parts. He said he wanted to have further discussions with the operator about a lightning arrester acquisition and that he is working to get a good Capital Improvements chart to be shared with both District 23 and 220. The Board was next informed that the STP permit would need to be renewed and work on that renewal would commence this summer. Director Dominquez requested the capital improvements budget be made more legible and sent out to Directors, which the Engineer said he would do. He then reviewed that budget with Directors. He mentioned that major piping work totaling about \$125,400 was needed at Water Plant No. 1.

A discussion was next had on a groundwater reduction table. Mr. Sherrington said that he wanted to spend more time with the Board in explaining exactly what needs to be done to assure all

of the District is in compliance with the reduction requirements for conversion to surface water. In part he explained that in order to comply with conversion requirements and fully utilize both water plants in that endeavor it was going to be necessary to construct a water line that makes surface water available to Water Plant No. 1 as well as Water Plant No. 2, and that though this would prove costly and involves District 220, it would need to be done and completed by 2024. He said he would provide a more legible copy of same to the Directors.

It was confirmed that the volunteer fire department is now moving forward with its building project; that the City of Houston is the party providing service to the corner of Fairbanks-North Houston and the road from Joga, which facility Director Ross had confirmed has gotten water service and that he wants to address the Board at a future meeting about what would serve this area and the District the best, but that he was not yet in a position to do so. He assured the Board that the STP would be completed in all respects by the time of the April Board meeting.

UTILITY OPERATOR

The utility operator report was submitted. The report reflected that the water accountability ratio had been 88.5%, which reflected the large number of water leaks in the system without an exact estimate of the volume. He said that there had been no excursions at the STP and that the County was asking cities and water districts not to cut off services to any customers because of high water bills. Some Directors commented upon a consensus emerging that Districts would be allowing applications from customers seeking relief that would allow for relief if they had had a leak and could show that it had been repaired so that only the prior month bill would be used to determine the amount owing. The Board held off on adopting a policy but did vote to not terminate any customers until more information could be gathered. **A motion to this effect was made by Director Haney and seconded by Director Shepard and carried unanimously.**

The Operator reported that there had been no critical problems encountered at the STP as a result of the freeze, but that a large 12" valve at Water Plant No. 1 had frozen and then leaked creating quite a mess, but which was repaired. Doug explained that the generators did not perform as anticipated maybe because of rolling blackouts. Directors disputed this because it was one continuous outage experienced in the District. The Operator suggested that part of the problem was related to a voltage problem and that in the future the operator would more consciously be exercising the generators on a regular basis and making sure that the transfer switch was being worked which did not appear to be happening during the freeze with the generators. He observed that there were many things that don't happen in a long and hard freeze like that experienced and that his firm would be looking to see what other protections or devices might be installed or employed so that a similar problem is not encountered in the future. He said he would prepare a list of new equipment and devices that might be obtained for future cold snaps. It was also mentioned that the Flood Control District would be repairing an outfall that crosses the trail along the drainage channel and that another outfall line would also need to be re-worked and that the private landowner needs to be contacted about it.

The Attorney suggested that the District conduct a special meeting to address how to approach getting relief to customers after the Operator had an opportunity to get all of the usage

figures for the freeze period from all the District customers, which he estimated could be done in time for a Thursday March 18 special meeting, at which the Board could ascertain the full measure of the problem and create a systemic solution to address customer circumstances in terms of billing and relief to be offered. The Attorney was directed to have his office call that meeting. Daniel requested that the Operator provide him with the numbers showing how much water was used by the subdivision in his District serviced by 23 during the freeze and what it is in a normal period for the same time of year but without a freeze. The Operator said he would provide those numbers.

ATTORNEY REPORT

The Attorney provided his written report to the Board, most of which had already been provided in the course of the meeting. He did however mention that P3, the District's aggregator, had recommended that the District hold off on the payment of certain invoices for power because it was contesting some of those charges related to the freeze and that he concurred in this recommendation. The attorney stated that the bookkeeper had said that when such bills are received she will alert him and handle them as recommended by P3. The Engineer also assured the attorney that he would provide him with a detailed description of the Water Plant project that will involve the use of surplus construction funds prior to the beginning of November 2021, the end of the three year period from the date of the issuance of the bonds.

BUILDING COORDINATOR REPORT

The written report was provided to Directors. Director Haney remarked that there had been one rental usage of the building and that during the freeze deputies had sought refuge in the District's Office building until the power went out and the generators failed to come on and that they had then found themselves trapped in the complex because they could not get the gate to open since there was no power and the manual opener handle could not be found. As a solution, Director Haney moved that he be allowed to find bids for the installation of a walk-in gate so that at a minimum officers would be able to exit the complex. He also explained that he had a full plate and had not been able to have all of the District problems taken care of, to which Directors responded that he should not concern himself with that but take care of himself and his family after the hardships it had suffered including the recent loss of his father.

CONSENT AGENDA

Approval of the consent agenda was had without service terminations being authorized **on the motions of Directors Shepard and Blackwell and the unanimous vote of the Board.** In response to a query, the Operator estimated that a total of 900,000 gallons of water had been lost due to leaks and that the cost from the City of Houston for that water was probably something like \$3 per thousand gallons. Although the meeting was adjourned and the Attorney and perhaps others left the meeting it was determined by the Board that the meeting be held on the following Thursday to address the scope and remedies to be offered customers regarding water leaks during the freeze and that the Attorney's presence was not required for that meeting.

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 MARCH 11, 2021**

BOOKKEEPER

Receive comments and make revisions to proposed Budget which is needed to be approved at May meeting.

ATTORNEY

Prepare minutes, call special meeting for March 18, correct February minutes, work on Arbitrage compliance for the year including calculating the expenditure of all surplus bond proceeds; and review take or pay quantity enhancements with COH;

ENGINEER

Follow-up on completion of punch list to contractor and execution of change order; pursue parts and installation of same for fine screen; follow-up on proposal for exterior work on water plant(s); update Daniel on STP changes; [address outfall pipe repairs]; and investigate what entity is serving warehouses and other facilities on or near Bondale; provide Directors and consultants with a more legible print out of Capital Improvement Plan and Schedule;

BUILDING COORDINATOR

To get bids for the installation of a walk in gate separate from the chain driven gate used by vehicles.

OPERATOR

Hook-up Solanos; trim trees on fence line; and take down Water Plant No. 1. Turn off water at 8319 Battle Oak; get estimate for fencing on Haney Road and for repair of certain fences; check on Country View hydrant replacement including bad valve; install dishes on manholes; and attempt to get name of driver who damaged hydrant and confer with officers re same for police report; and check on payment of \$100 by CCR. Assess and collect tap fee from Volunteer Fire Department. Perform the brush work authorized.

Provide Daniel with numbers for water use through the interconnect between the Districts for the period(s) of the freeze and what the normal average for the same period is;

TAX ASSESSOR COLLECTOR

Provide a statement of value of the Joga property and improvements and Warehouses off of Warren Road.