

**MINUTES OF SPECIAL MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
MAY 4, 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 4th day of May, 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:

Jennifer Landreville of ETI;
John Sherrington, P.E. of Sherrington-Humble, LLC); and
Michael A. Cole of Michael A. Cole, P.C.

**DISCUSSIONS AND NEGOTIATIONS WITH 220 REPRESENTATIVES REGARDING
DISPUTE OVER COST SHARING ARRANGEMENTS FOR CAPITAL COSTS OF
REHABILITATING STP AND ITS OPERATING COSTS**

Director Dominguez reported on the details of the Board’s meeting with Jerry Homan and Pete Peterson of District 220 regarding the subject matter. It was reported that Mr. Homan said that prior to the completion of the rehabilitation work on the STP he thought his District would be open to paying 20.6% of the costs being incurred for the plant rehabilitation costs and operational costs and after completion willing to pay 22.89% of all such costs. He further reported that the 220 representatives were very cordial and the meeting went very well. He mentioned two additional proposals for consideration which would require revisions to the existing agreement between the Districts. These agreements had to do with a more or less agreed upon costs for the operations of the STP which entailed some of the costs that might be more capital in nature being agreed upon as percentage of the operating costs so that the actual cost of some items would not be an individual item but rather covered by creating a slight buffer or extra percentage that could be used as a reserve from which unexpected expenses that were more of a capital nature could be provided for. The advantage of this would be that 220 and 23 could better plan for this not as unexpected one time expenses but rather as a reserve expense covered by charging a little more each month. The Board

considered this additional change for which it wanted more details and its own analysis before making any decisions, but the Board expressed a consensus that the proposal for the immediate future with regards the cost sharing of capital and operational costs was satisfactory, notwithstanding that for the capital costs District 220 would be paying for less than what 23 believed its pro-rata share should be. The Board acknowledged that the proposal regarding cost sharing of capital and operating costs was both fair, acceptable and appreciated as one to resolve the immediate differences between the two Districts.

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

(SEAL)

Secretary, Board of Directors

