

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
AUGUST 11, 2022**

**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 August, 2022, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Christy Shepard	President
William E. Ross	Vice President
Oscar Dominguez	Secretary
Jeff Blackwell	Treasurer
Jim Haney	Assistant Secretary/Treasurer

and all of said directors were present excepting Director Dominguez thus constituting a quorum.

Persons also present included:

Officer Cisneros of the Sheriff’s Office;
Sean Humble of Sherrington-Humble, LLC;
Jennifer Landreville of ETI Bookkeeping and Equi-Tax Inc.;
Doug Jeffrey of TNG Utility Corp;
Daniel Hayden, Engineer for District 220;
Pete Pederson of Harris County MUD 220;
numerous residents of the District including Mary Ann Martinez; Jeanelle Walker, Wally Byers;
Mark Burrow; Lillian Krolczyk; and
Michael A. Cole of Michael A. Cole, P.C.

RESIDENT COMMENTS

Mr. Burrow asked about the installation of a drop box for payment of District bills and it was explained that the original box for it had been lost in the mail so the Operator had it mailed to his residence this time and that it would be installed within the next several days in the fence outside the meeting place compound, and that it would be checked several times a week so that payments will be timely paid according to Mr. Jeffrey.

Ms. Martinez asked about the street lights on Wood Heather and Wood Canyon and was told those lights are no longer functioning. It was also noted that the District is paying for a number of lights according to Director Haney which are not in the District, are being charged as if metered unlike per light which he thought was the norm, and that the bookkeeper needs to look into this matter. This admonishment was repeated in the bookkeeper’s report and Ms. Landreville said she would have the matter thoroughly reviewed by her staff. It was also noted that there had been a lot of gunshots heard

in Section 1, to which Directors suggested that it needs to be reported to the Sheriff's Office. There were also complaints of prostitution in Section 1 which drew the same response from Directors. The same was also said about the use of ATVs and similar devices and similar vehicles.

Director Haney reported that Flood Control or the County had reported that when a contractor is engaged to complete the White Oak Bayou project abandoned by the last contractor, the County intends to plant trees along the area worked by the contractor. In response to complaints about illegal dumping made by Mary Ann, she said that she had contacted Precinct 1 about it. Director Haney noted that he and Director Blackwell had called about it and that Republic had removed its two dumpsters, one of which had its contents dumped at the site contributing to the unsightliness. It was also reported that Essa's surgery had gone well and that he might be back by the Board's next meeting, and that the National Night Out would be held the 1st Tuesday in October and that it would be done engaging both Courtyard Glen and Woodland Trails West HOAs.

MINUTES

Director Blackwell moved the approval of the July Minutes which motion was seconded by Director Ross and carried unanimously.

SECURITY REPORT

Officer Cisneros said he had nothing to report other than the Board might see Essa at the next meeting. Officer Cisneros was encouraged to patrol Section 1 more frequently.

CONSENT AGENDA

BOOKKEEPER, INVESTMENT OFFICER, AND TAX-ASSESSOR COLLECTOR REPORTS

The reports were presented by Ms. Landreville. Director Haney again asked that the light bill be scrutinized by the Bookkeeper as discussed earlier with regard to charges for lights or service in areas not within the District and to investigate for how long such charges have been being paid by the District. Ms. Landreville said she would thoroughly investigate this and report back at the next meeting.

INSURANCE

The Board then reviewed the proposal from the insurance carrier. It was noted that the premium of about \$21,000 was almost \$500 more than the prior year. The Board concluded that this was a reasonable amount and did not warrant getting more bids. **Director Haney moved that the insurance proposal be accepted which motion was seconded by Director Ross and carried with the exception of all present except Director Blackwell.**

ENGINEER REPORT

Mr. Humble presented his written report. He reported that the fine screen and rotating drum had been installed on May 17 and was still in the process of being coated but should be finished before the next meeting. With regard to Water Plant No. 1, the Engineer is preparing an exhibit for submittal to

Flood Control District in connection with the routing of the surface water line; and with regard to Water Plant No. 2 he is working on a recommendation to Phoenix Coating Systems for repair of the booster pump building and coating issues associated with same. Directors expressed an interest in looking more closely at the building and how best to proceed and that perhaps it would be best to convene the STP inspection at Water Plant No. 2 first at the September meeting. It was next reported that S-H would be updating the capital improvement budget; that he is working with the District's Attorney regarding the annual 10% increase in the District's take or pay amount and straightening out that billing and accounting so that the District can more clearly see whether the City has increased the take or pay amount as directed by the District and how much it is charging for water; and that the outfall for the STP needs to be raised because of the improvement in White Oak Bayou that now places the outfall too low. He said he would take this up with the new contractor once he is selected by the County. With regard to the Groundwater Reduction Mandates, he said it was for 60% by January 2025 and 80% by 2035, meaning that that was the percentages required to be taken for surface water.

UTILITY OPERATOR

Doug Jeffrey presented his report. He reported that the new mailbox should be installed in the next few days. Daniel Hayden then noted that he had been talking to the Operator about the possibility of the District serving the Audubon subdivision which is part of Harris County MUD No. 220 and approximately 5,000 feet from the District and contains about 165 connections and a couple of small businesses. The Attorney said he had no objection once the billing and increases in take or pay had been worked out with the City of Houston. He further explained that until that is done there is risk of the City concluding that this is "new development" for which the District would be required to pay capital recovery charges which he had gotten the City to back away from when the District represented that there was "no new development" being served by the District. The Attorney further explained after the billing matter is resolved if the Board wants to it could address this problem as not really complicating anything because it is already being served by the City and the District had in fact actually had a reduction in connections served since the agreement with the City had been negotiated.

The Operator then continued with his report saying that he had cut back on flushing with the drought; and that all new end points had been installed but with the problem that meters could not be had until all had been installed and were transmitting which was not going to be possible since only 30% to 40% of them were fully working, a problem that would be rectified by September or October. On other matters he said the water accountability ratio was 97.8%; and that there had been an excursion at the plant of the ammonia nitrogen limitation on the permit since no hauling had been occurring because the contractor was short on trucks and equipment. He said he hopes the TCEQ would be understanding but he really had no control over the availability of drivers and equipment. A main break was reported on Woodlands West and a resident had been problematic in allowing repairs of driveway by objecting to the work on at least two occasions because the homeowner insisted that all three panels of the driveway be replaced rather than the two that had been damaged by the operator, if making repairs. He said that the matter was finally resolved when the homeowner apparently accepted the two panel solution. On other matters the Board was told the drop box for bills would be installed shortly and it would be clear that cash payments could NOT be made using the drop box; and that the fire station to be run and manned by the ESD was not yet fully ready for occupancy.

ATTORNEY REPORT

The Attorney submitted his report and proposed letter to the City of Houston, whose refusal to show what rates are being paid by the District or to confirm in its billing report whether it had increased the take or pay amount as directed by the District in accordance with its Agreement concerning same as executed in 2001. The Attorney made clear that no amount of effort was going to yield answers that would straighten out this billing matter until the City would state when, if at all, it had changed the amount of water being delivered to the District and what the rates are being charged by the City. It was however established after conferring with the Engineer that the last confirmed take or pay amount was 4,538,000, though there had been two subsequent increases requested but apparently not done by the City, namely an increase to 4,991,000 on December 19, 2019 and 5,481,000 done or requested on May 12, 2022. These changes were never made by the City. With regard to the letter which the Attorney had written which made clear the partnership with the District had benefitted the City by demonstrating it was possible to work with the City on a surface water contract which led to both the North and West Regional Water Authorities negotiating deals along them to adopt groundwater reduction plans. Director Shepard observed that in her opinion the letter was too “flowery” though she admitted to only reading the first two paragraphs of the letter. Other Directors were not enthusiastic about the letter. No authorization was given for any letter or for the Attorney and Engineer to negotiate anything on behalf of the District. It was noted that Director Dominguez had expressed an interest in meeting with the City of Houston on this billing matter and therefore nothing further would be done by the Attorney regarding this billing matter.

On other legal matters the Attorney reported the increase per household for garbage services increased to \$14.60 per month; that the Cyber Security training needs to be completed and reported to him by the end of the month; that the new well permits had been received from the Subsidence District as well as a dividend check for Workers Comp; that P3 was in the process of bidding for a new energy contract because the process had been upended by the war in Ukraine and should be available by the end of the year; and that the tax rolls should be available in late August for the actions necessary to levy taxes. Director Blackwell noted that changes had not been made to the District’s website as represented by the Attorney and what he had wanted had not been posted.

BUILDING COORDINATOR REPORT

The Building Coordinator said that a hose had been replaced and the men’s bathroom had been repaired, and that there are no current bookings. He also reported that Atlas and Du-West foundation companies would be coming out to look at the District building’s foundation and bid on repairs. He said that not only is it needed for the foundation repair but for the District’s windows as well. Director Haney said that it might be advantageous to improve the irrigation system for the mature trees along the south side of the trails, since older more mature trees need deep root water rather than just a surface bubbler. Director Blackwell disagreed observing in his opinion it was too expensive. The Board agreed that as a first step it would take bids for improving the irrigation for trees only on the south side of the trail. It seemed also agreed that James Meadows had worked for the City of Houston, knew his business and might be the cheapest option for the District.

On matters relating to finding a new contractor for completing the Flood Control Project on the Bayou, both Directors Haney and Blackwell suggested that it would take 60 to 90 days to do that and that in the meantime there had been complaints about the illegal dumping occurring in the District. It was explained that in part this stemmed from the handling of the Republic dumpsters and how they were

removed. Director Blackwell acknowledged that he had called the EPA to report the problem with the contractor and the efforts to resolve or solve the dumping problem. Director Blackwell noted that some of the problem had been fixed but there remains some illegal dumping. Director Haney asked that the Sheriff's contract be placed on the agenda for September. The attorney explained that the County had made all of their security contracts expire at the end of September so that the new contracts and rates would apply from the first of October.

CONSENT AGENDA

The Consent Agenda was approved on the motion and second of Directors Blackwell and Haney, respectively, and the unanimous vote of the Board.

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 AUGUST 11, 2022**

BOOKKEEPER

Delve into City of Houston Invoices to comply with Attorney request regarding changes in the take or pay amount regarding how much water is being taken by the District and when such changes had been made and then follow-up with a meeting with the Attorney and Engineer regarding same.

ATTORNEY

Update District website; do what necessary to levy taxes; and place item on September agenda to consider Agreement for Law Enforcement Services.

ENGINEER

Following up on meeting commitments.

BUILDING COORDINATOR

Coordinate with Du-West and Atlas regards a bid or proposal for Building Foundation repairs.

OPERATOR

Install mailbox.

TAX ASSESSOR COLLECTOR

Provide a statement of value of the Joga property and improvements and Warehouses off of Warren Road for District's Attorney.