

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
FEBRUARY 9, 2023**

**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 a regular meeting place inside the District on the 9th day of February, 2023, 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, thus constituting a quorum.

Persons also present included:

Sean Humble of Sherrington-Humble, LLC;
Debbie Bessire of ETI Bookkeeping and Equi-Tax Inc.;
Claudine Pacioni of TNG Utility Corp;
Daniel Hayden, Engineer for District 220 and Pete Pederson, Director of District 220;
Jeanelle Walker and Mary Anne Valverde of Courtyard Glen;
Deputy Pierre Abarca of the Sheriff's office, and
Michael A. Cole of Michael A. Cole, P.C.

COMMENTS

Ms. Walker presented the Board with evidence of a payment made for gardening in the amount of \$4,200 which the District then reimbursed to the HOA. It was also noted that Directors Haney, Ross and Blackwell had attended the AWBD Winter Conference which they indicated was well worthwhile. It was also noted that the Conference which was held in Austin, had experienced severe freezing weather which was not optimal for attendees.

SECURITY REPORT

The Deputy provided his report to the Board after which he related the story of a resident who had thought she had purchased a vehicle only to discover that the title which she had been provided was not legitimate which could be determined because when copied it did not show "void" on the xerox copy which it would if legitimate. He advised that if one wants to transfer a title one can come to the precinct office on Fallbrook during regular business hours to make certain the transaction is copacetic. All agreed this was a very undesirable outcome for the young woman who was out \$15,000. An image was

then shown of a man appearing before a doorbell type camera with one hand in his pants who obviously was not up to any good. The Board was told the man had shown up late one evening. A long discussion was had. Finally, the Deputy presented the Board with a detailed report on what all had transpired in the District over the last month. The Deputy addressed questions about what needs to be done under various scenarios of vehicles on or near streets. There was also discussion of a tree which needs to be towed away by the County. The Attorney complimented the Deputy on providing the District with a thorough report of all incidents for the prior month. Director Haney commented that this had always been available in the monthly report which the attorney had never seen because it had never been made a part of the monthly report shown to or related to the Board. The Attorney was appreciative because he knows this is always done by the Constables Office in his other Districts and that now he understands it is simply a matter of a representative of the Sheriff's Department bothering to make it a part of his presentation.

MINUTES

Director Dominguez and Blackwell moved and seconded, respectively, the approval of the January 2023 minutes which motion carried unanimously.

CONSENT AGENDA

BOOKKEEPER, INVESTMENT OFFICER, AND TAX-ASSESSOR COLLECTOR REPORTS AND TAX LEVY

The reports were presented. It was noted by the Attorney that General Funds could be invested for temporary periods since they are not needed and at 4% return on investments a real return can be had. The Bookkeeper indicated she would have her office make such an investment. The Attorney explained that there are number of items requiring Board authorization which could be handled with an omnibus motion. The Board agreed to this approach however on the motion for a homestead tax exemption there is disagreement so separate motions need to be made. The first motion was by Director Dominguez to adopt the same exemption as the prior year, notwithstanding the email from the financial advisor that the exemption could be increased from \$25,000 to \$35,000 with no adverse affect upon the District. His motion was seconded by Director Blackwell and failed when unsupported by any other Directors. After some discussion a **motion was made by Director Haney that an exemption of \$30,000 be adopted which motion was seconded by Director Shepard and carried by the votes of Directors Shepard, Haney and Ross with Director Dominguez and Blackwell voting nay.** The Resolution as adopted is attached to the original minutes.

The Tax Assessor-Collector reported that tax collections are approximately 89% complete and that out-of-District collections are 8% complete.

UTILITY OPERATOR

Ms. Pacioni reported that because an accurate reading is not possible for District 220 she had simply substituted the amount of usage measured for and billed to District 220 for the same period for the prior year's month and that beginning with this new billing month the District should be back on track. She said the water accountability ratio is approximately 97.8%; that there had been 6 disconnects needed for last month, one of which remains disconnected; and that in response to a query the District

does have a Drought Contingency Plan. The Operator said she is not familiar with the Risk and Resiliency Assessment that is required to be done and approved but that she would look into that matter before the next meeting.

ENGINEER'S REPORT

The Engineer submitted his written report to the Board a copy of which is attached to the original minutes for purposes of making it more complete. He stated that he still needs to get in touch with the Watershed Coordinator to talk about getting an easement across HCFCD property for an alternative connection of water from the City of Houston, which will allow for a feed from two different sources and for City water to both Plants which is essential.

He then shared with Directors and others the spreadsheet which he had created which showed or shows the monthly amounts of water taken and to be taken from the City, which he proposes to use as the basis for a new agreement with the City to evidence how much water the District will be taking each month until the conversion necessary to achieve the goals of the GRP are achieved, and further to make unnecessary any further agreement from the City as to how much monthly water is to be taken from the City. Next he asked the District authorize a PILOT Agreement with the Plumbing Company near the JOGA site so that it could receive water from the District. It was made clear that there really are no alternatives and this is perhaps the best solution to the problem. **Director Ross then moved the authorization of a PILOT Agreement with the business with no need for further approval provided it is in the same or similar form to the other PILOT Agreements though it will not include sewer service and provided it pays the District the amount required by the Engineer. The motion was seconded by Director Dominguez and carried unanimously.** It was next reported that a bid proposal had been received for the sanitary sewer repairs and replacement work involving the 24" sanitary sewer service line near the bayou previously discussed. The Engineer said that it would require relining the manhole and constructing or lining in place a 24" sanitary sewer line and doing some by-pass work plus 30 feet of 8" line for a total cost of \$62,062.50. He acknowledged that it is expensive but he feels it is very important to have the work done by a competent contractor with whom he has confidence that it will be done right, and in addition the District will receive a 20 year warranty on the work. **A motion to this effect was made by Director Haney and seconded by Director Blackwell and carried unanimously.** On other matters the **Board approved the replacement of all street lights with LED lights on the motion and second of Directors Haney and Ross, respectively, and the unanimous vote of the Board.** The Board was informed that the fine screen had been properly reversed and inspected and found to be operating properly; that it would be a good idea to authorize the District's sanitary sewer lines to be televised for any necessary habitation at the next meeting; and an anti-wipes usage flier would be stuffed in billings.

ATTORNEY REPORT

The Attorney's report was presented and is made a part of these minutes. The Attorney then provided the Board with 1) a Resolution Adopting an Additional Penalty for Tax Collection Costs, 2) Delegation of the Authority and Duty to report next year to the EPA on Lithium and other Substances in Customer Water in homes as provided on the Monitoring Review Sheet (shifting the responsibility to the District's Operator and from the Michael Cole); and 3) a Resolution Concerning Annual Review of District's Investment Policy. The Attorney noted that until the Engineer completes the schedule for getting to full conversion (80% conversion) the District should be requiring the City to increase the

District's Take or Pay Amount by 10 % each year. The Attorney reported that the Eminent Domain Filing with the State had been timely completed and electronically filed. The Attorney suggested that all of these actions as enumerated and described by the Attorney be approved and adopted. **A motion to this effect was made by Director Haney and seconded by Director Ross and approved by the unanimous vote of the Board.**

BUILDING COORDINATOR REPORT

Director Ross submitted his report. Director Ross stated that the building was rented by a party that created a large mess and will hence forth be banned from renting or using the Building again. He said that the \$100 damage deposit was grossly less than what it cost to repair and clean-up the building. A long discussion was had about this at the end of which it was determined that the Coordinator would create a list of actions or policies to be included in and for future rentals which would be acted upon at the next meeting. It was suggested that this should include an increase in the rental amount which is currently \$275 and \$25 for the deposit.

With regard to the "table" at the front of the Directors' Board room, the Board was told that a 5 foot long table is being purchased at at price of \$199, and additionally printer ink is being ordered.

The Board was then informed that Bonte Electrical LLC is proposing to replace all of the lights in the building with LED lighting which work would be warranted for a cost of \$4,890. **A motion to authorize same was made by Director Haney and seconded by Director Ross and carried unanimously.** It was also noted that the District's office windows will need re-glazing which item will be placed on next month's agenda.

CONSENT AGENDA

The Consent Agenda was approved on the motion and second of Directors Dominguez and Ross, 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 FEBRUARY 9, 2023**

BOOKKEEPER to make sure her office knows to invest District funds.

OPERATOR

Correct the meter/billing errors.

ATTORNEY prepare PILOT Agreement and Drought Contingency Plan for next meeting.

ENGINEER talk to Watershed Coordinator for Second Connection; notify Plumbing Company of need to follow-up on execution of PILOT agreement.

(Follow up on meeting commitments including send plans to Mr. Bubbler; and work on details for new contract with City of Houston).

BUILDING COORDINATOR

Begin use of new phones and integrate them with personal phones. Obtain a bid for surveillance cameras; Get building power washed before any painting.; and prepare list of Actions and/or Policies for Rental of District's Building, including Increase of Deposit Amounts and Rental Rates.

TAX ASSESSOR COLLECTOR

Provide a statement of value of the Joga property and improvements and warehouses off of Warren Road for District's Attorney. This has been asked for repeatedly and I would like to take it off.

Director Dominguez

Get a proposal from neighbor for surveillance cameras for the District.