

**MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS**

THE STATE OF TEXAS §
COUNTY OF HARRIS §
NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23 §

The Board of Directors of Northwest Harris County Municipal Utility District No. 23 met in regular session, open to the public, at its regular meeting place outside the boundaries of the District on February 13, 2019; whereupon, the roll was called of the members of the Board of Directors, to-wit:

| | |
|-------------------|-----------------------|
| B.A. Benson | President |
| Victoria Hawkins | First Vice President |
| Lenora Flores | Second Vice President |
| Earlinda Trujillo | Secretary |
| Dan Young | Assistant Secretary |

All members of the Board of Directors were present except Directors Hawkins and Young.

Also present were Chris Richardson, attorney, and Stephanie Nagel and Kristen McGrady, legal assistants, of Strawn & Richardson, P.C.; Michelle Guerrero of Bob Leared Interests; Christina Cole of Myrtle Cruz, Inc.; Don Hays and Howard Wilhite of Hays Utility South Corporation; Jon Strange of JNS Engineers, LLC; Jennie Trapolino of Academy Development; and Karen Sears of Storm Water Solutions.

WHEREUPON, evidence was presented that public notice of the meeting was given in compliance with the law, and the President called the meeting to order.

1. The first item to come before the Board was the approval of the minutes of the meetings of December 12, 2018 and January 9, 2019. Following further discussion, it was moved by

Director Trujillo and seconded by Director Flores that the minutes of the meetings of December 12, 2018 and January 9, 2019 be approved, which motion carried unanimously.

2. The Board considered authorizing Storm Water Solutions to represent the District in connection with the Storm Water Quality Permit Renewals. Karen Sears presented a proposal to handle the Storm Water Quality Permit Renewal for the District.

Following further discussion, it was moved by Director Trujillo and seconded by Director Flores to authorize Storm Water Solutions to represent the District concerning the Storm Water Quality Permit Renewals, which motion carried unanimously.

3. Michelle Guerrero presented the tax assessor-collector's report, a copy of which is attached as Exhibit "A". The report indicated the District has collected 88.063% of its 2018 taxes and 99.008% of its 2017 taxes as of January 31, 2019.

Ms. Guerrero reported the District's Estimate of Value as of January 1, 2019 is \$155,847,380 which is a 6.5% increase from 2018.

Following a review of the report, it was moved by Director Trujillo and seconded by Director Flores that the tax assessor's report for January be approved, and that the checks as listed on said report be approved, which motion carried unanimously.

4. The Board next considered setting 2019 tax exemptions for persons over the age of 65 or disabled. Mr. Richardson stated the District set an exemption of \$25,000.00 for 2018.

Following a discussion, it was moved by Director Flores and seconded by Director Trujillo that the 2019 tax exemptions for persons over the age of 65 or disabled be set at \$25,000.00, and that the Order Setting 2019 Tax Exemptions be approved, a copy of which is attached as Exhibit "B", which motion carried unanimously.

5. Christina Cole presented the bookkeeper's report with a list of bills for payment and the monthly investment report, a copy of which is attached as Exhibit "C".

Following further discussion, it was moved by Director Flores and seconded by Director Trujillo that the bookkeeper's report be accepted as presented, and that checks be issued for the expenses as listed on the attached Exhibit "C", which motion carried unanimously.

6. Howard Wilhite presented the monthly operations report, a copy of which is attached as Exhibit "D". Mr. Wilhite reported there were 1,288 connections in the District, and the District accounted for 93.30% of the water pumped. Mr. Wilhite noted the surface water usage was 82.30%. He informed the Board the sewage treatment plant was compliant with the permit.

Mr. Wilhite stated 202 termination notices were sent and 22 accounts were cut off. Of those, two remain terminated.

Mr. Wilhite updated the Board on the Wastewater Treatment Plant project. He reported the contractor installed a new chlorine conductor and turned everything on without notifying his office. Mr. Wilhite stated the system was checked and everything is working. He also stated chlorine conductor no. 3 will be offline soon.

Mr. Wilhite informed the Board the new school is ready to tie into the District's lines. He explained the water will have to be turned off Saturday for approximately two to four hours. Mr. Wilhite stated door hangers will be hung tomorrow for the residents who will be affected.

Following further discussion, it was moved by Director Flores and seconded by Director Trujillo that the operator's report be approved as presented, which motion carried unanimously.

7. Jennie Trapolino updated the board on the current development. Chris Richardson updated the Board regarding the Richey Road right-of-way acquisition. He reported they have

answered questions from the appraiser, and they are waiting on the completion of the appraisal. Mr. Richardson added the District may have to file a condemnation lawsuit.

Ms. Trapolino asked about reimbursement in the upcoming Bond Issue. Jon Strange stated he will provide her information regarding reimbursement.

Following further discussion, it was moved by Director Flores and seconded by Director Benson that the developer's report be approved, which motion carried unanimously.

8. Jon Strange presented the engineer's report, a copy of which is attached as Exhibit "E".

Mr. Strange discussed the Wastewater Treatment Plant 2015 project. He reported the project is 83% complete.

Mr. Strange presented for approval Pay Estimate No. 2 from CSI Consolidated LLC, in the amount of \$8,754.75, for the Phase 2 televising and cleaning of the Wastewater Collection System.

Mr. Strange discussed Water Plant No. 1. He reported the Booster Pump will be installed next month. He informed the Board they received two bids for the generator. Mr. Strange recommended awarding the contract to the low bidder, W.W. Payton, in the amount of \$260,000.00. He also requested authorization to allow the contractor to order the generator prior to the signing of the contract.

Mr. Strange discussed the need for six additional easements, which need to be acquired from Spring ISD, Clinton Wong and Houston Pipeline for the future well at Water Plant No. 2.

Mr. Strange next suggested holding a special meeting to discuss the Strategic Plan.

Following further discussion, it was moved by Director Flores and seconded by Director Trujillo to approve the engineer's report, to approve Pay Estimate No. 2 for the Phase 2 televising and cleaning of the Wastewater Collection System, to award the contract for the Water Plant No. 1

generator to W.W. Payton and to authorize ordering the generator prior to the signing of the contract, which motion carried unanimously.

9. The Board discussed the agreement with Spring ISD for the purchase of the Water Plant No. 2 site, for tap fees and for the capital recovery fee. Mr. Richardson requested authorization for funds for closing on the purchase of the land for Water Plant No. 2. The Bookkeeper prepared a check for \$91,214.00.

Following further discussion, it was moved by Director Flores and seconded by Director Trujillo to authorize the funds for closing on the purchase of the land for Water Plant No. 2, which motion carried unanimously.

10. The Board next considered engaging Arbitrage Compliance Specialists for the Series 2018 Bonds. Chris Richardson presented the engagement with Arbitrage Compliance Specialists for the Board's review and approval.

Following further discussion, it was moved by Director Trujillo and seconded by Director Flores, to engage Arbitrage Compliance Specialists for the Series 2018 Bonds, which motion carried unanimously.

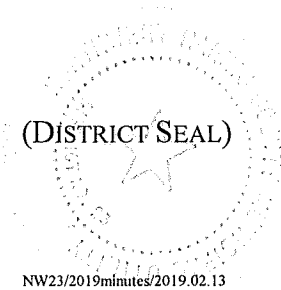
11. The Board considered ratifying approval of the insurance renewal proposal with Arthur J. Gallagher Insurance and ratifying approval of the Resolution Requesting Estimate of Value, as of January 1, 2019. Mr. Richardson explained the two items were approved at the last meeting but were not on the agenda, and therefore, require ratification.

Following further discussion, it was moved by Director Flores and seconded by Director Trujillo to ratify approval of the insurance renewal proposal with Arthur J. Gallagher Insurance and to ratify approval of the Resolution Requesting Estimate of Value, which motion carried unanimously.

12. The Board considered authorizing registration for the AWBD Summer Conference. Following further discussion, it was moved by Director Benson and seconded by Director Flores to authorize Board member registration for the AWBD Summer Conference, which motion carried unanimously.

There being no further business, and upon a motion by Director Flores, seconded by Director Trujillo and unanimously carried, the meeting was adjourned.

PASSED, APPROVED and ADOPTED this 22nd day of March, 2019.



Evelinda S. De
Secretary

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