

**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 May 8, 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.

Also present were Chris Richardson, attorney, Stephanie Nagel, Kristen McGrady and Susan McGrady, legal assistants, of Strawn & Richardson, P.C.; Michelle Guerrero of Bob Leared Interests; Christina Cole of Myrtle Cruz, Inc.; Howard Wilhite of Hays Utility South Corporation; Jon Strange of JNS Engineers, LLC.; and Megan Crutcher of Odyssey Engineering Group.

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 April 5, 2019 and April 10, 2019. Following further discussion, it was moved by

Director Hawkins and seconded by Director Trujillo that the minutes of the meetings of April 5, 2019 and April 10, 2019 be approved, which motion carried unanimously.

2. 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 91.727% of its 2018 taxes and 99.326% of its 2017 taxes as of April 30, 2019.

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

3. 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 "B".

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 "B", which motion carried unanimously.

4. Ms. Cole presented for approval the proposed budget for fiscal year ending May 31, 2020, a copy of which is attached as Exhibit "C". The Board discussed changes to the budget.

Following further discussion, it was moved by Director Hawkins and seconded by Director Young to approve the budget for fiscal year ending May 31, 2020, which motion carried unanimously.

5. Howard Wilhite presented the monthly operations report, a copy of which is attached as Exhibit "D". Mr. Wilhite reported there were 1,292 connections in the District, and the District accounted for 90.91% of the water pumped. Mr. Wilhite noted the District is on the interconnect

with NWHC 21 and NWHC 22 while Water Plant No. 1 is under rehab. He informed the Board the sewage treatment plant was compliant with the permit.

Mr. Wilhite stated 155 termination notices were sent and 24 accounts were cut off. Of those, two remain terminated.

Mr. Wilhite presented two letters from residents requesting a waiver of the disconnect fees. The Board denied both requests.

Mr. Wilhite next presented the list of uncollectible accounts for approval. He stated the Sableridge Apartments account should not be on the list.

Following further discussion, it was moved by Director Trujillo and seconded by Director Flores that the operator's report be approved as presented, to deny the two requests for waiver of disconnect fees and to approve the uncollectable accounts, excluding the Sableridge Apartments account, which motion carried unanimously.

6. The Board next considered amending the Rate Order. Mr. Wilhite discussed the changes to the Rate Order such as the grease trap requirements and related inspection fees, the quality of sewage and commercial deposits. A copy of the amended Rate Order is attached as Exhibit "E".

Following further discussion, it was moved by Director Flores and seconded by Director Trujillo to approve the amendments to the Rate Order, which motion carried unanimously.

7. Mr. Wilhite presented the 2018 Consumer Confidence Report for the Board's review and approval. He reported the report will be mailed with the June water bills.

Following further discussion, it was moved by Director Trujillo and seconded by Director Young that the 2018 Consumer Confidence Report be approved, which motion carried unanimously.

8. Megan Crutcher presented the Developer's Report for the Board's review, a copy of which is attached as Exhibit "F". She discussed the water, sewer and drainage in Silver Springs, Section Two. Ms. Crutcher stated the Harris County Storm Water Quality inspection passed on April 17, 2019. She requested authorization to transfer the Storm Water Quality Permit for Silver Springs, Section Two into the District's name.

Following further discussion, it was moved by Director Young and seconded by Director Trujillo that the developer's report be approved, and to authorize the transfer of the Storm Water Quality Permit for Silver Springs, Section Two into the District's name, which motion carried unanimously.

9. Jon Strange presented the engineer's report, a copy of which is attached as Exhibit "G". Mr. Strange discussed the Wastewater Treatment Plant 2015 project. He stated the contractor has presented Pay Estimate No. 20 for approximately \$96,000. Mr. Strange stated Northwest Harris County MUD No. 21 has provided an updated cost estimate of \$2,484,000 for the Wastewater Treatment Plan 2017 project. He reported the MCC and blower replacement designs should be approved by June 2019.

Mr. Strange discussed the Wastewater Collection System. He reported a majority of the District has been televised. Mr. Strange recommended the operator perform the point repairs in budget year 2020. He stated approximately 3,000 feet of sanitary lines will be CIPP lined. He further stated he will present a proposal for engineering services in June for the project.

Mr. Strange next discussed Bond Application No. 7, presented three table IV options and what could be spent from operating fund reserves. Ms. Crutcher recommended removing the Richey Road Drainage Improvements.

Mr. Strange presented for approval Pay Estimate No. 1, in the amount of \$181,281.60, for the Motor Control Replacement and additional Booster Pump at Water Plant No. 1. He also presented for approval Pay Estimate No. 1, in the amount of \$42,862.50, for the generator at Water Plant No. 1.

Mr. Strange presented bids for the 16-inch water transmission line to serve Water Plant No. 2 and for the 12-inch water distribution line. He recommended awarding the contract to the low bidder, B&A Boring Directional, LLC, for a contract amount of \$405,371.00. This contract price will require approximately \$170,000 from operating fund reserves in addition to the bonds funds available from the Series 2018 Bonds.

Mr. Strange reported the plat for Water Plant No. 2 is scheduled to be approved by the City of Houston tomorrow. He recommended the Board approve, subject to the attorney's review, and authorize the Board President and Secretary to sign it.

Mr. Strange presented for approval the Strategic Plan for fiscal years 2020 through 2029 and the Capital Improvement Projects for fiscal years 2020 through 2024, with noted changes discussed at the Board's April 5, 2019 special meeting.

The Board further discussed the rehabilitation of the three lift stations and purchase of generators for each. The Board decided to spread the improvements over the fiscal years 2020 through 2022. The Board asked Mr. Wilhite for his recommendation for prioritizing the lift stations. Mr. Wilhite recommended starting with Lift Station No. 1 in budget year 2020 and following with Lift Station No. 3 in 2021 and Lift Station No. 2 in 2022.

The Board further discussed the funding source for the approximately \$900,000 of additional construction costs in connection with the Water Plant No. 2 Phase 1 project. Following further

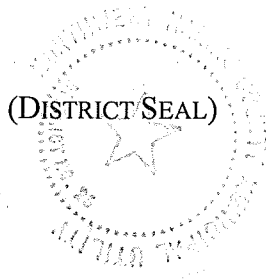
review, it was determined by the Board such additional costs would be paid from operating fund reserves and not to be included in the upcoming bond application.

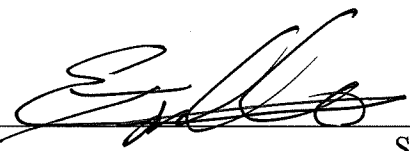
Mr. Strange informed the Board they performed an annual inspection with Storm Water Solutions on April 24, 2019. He stated they are requesting an update to the current contract with Storm Water Solutions for additional items such as Storm Water Quality, mosquito prevention and an annual inspection. Mr. Strange stated a Storm Water Solutions representative will attend the next Board meeting.

Following further discussion, it was moved by Director Trujillo and seconded by Director Flores to approve the engineer's report, to approve Pay Estimate No. 1 for the Motor Control Replacement and additional Booster Pump at Water Plant No. 1, to approve Pay Estimate No. 1 for the generator at Water Plant No. 1, to award the contract to B&A Boring Directional, LLC for the 16-inch water transmission line to serve Water Plant No. 2 and for the 12-inch water distribution line, to approve the plat for Water Plant No. 2, subject to the attorney's review, and to approve the Strategic Plan as revised, 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 12th day of June, 2019.




Secretary