

**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 special session, open to the public, at its regular meeting place outside the boundaries of the District on September 4, 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 Director Hawkins.

Also present were Chris Richardson, attorney, and Stephanie Nagel, legal assistant, of Strawn & Richardson, P.C.; Debbie Arrellano of Bob Leared Interests; Christina Cole of Myrtle Cruz, Inc.; Mike Potter of Hays Utility South Corporation; Jon Strange of JNS Engineers, LLC.; Drew Masterson of Masterson Advisors, LLC; Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC; Karen Sears of Storm Water Solutions; Shannon Waugh of Off Cinco; and Mary DuBois of Acclaim Energy.

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 meeting of August 14, 2019. Following further discussion, it was moved by Director Flores and

seconded by Director Trujillo that the minutes of the meeting of August 14, 2019 be approved, which motion carried unanimously.

2. Joseph Ellis presented a draft of the audit for fiscal year ended May 31, 2019 for the Board's review and approval. Following further review and discussion, it was moved by Director Trujillo and seconded by Director Young to approve the audit for fiscal year ended May 31, 2019, which motion carried unanimously.

3. The Board considered approval of the amendment to the Storm Water Solutions contract, a copy of which is attached as Exhibit "A". Karen Sears of Storm Water Solutions discussed additional items in the contract including "storm trooper" systems in four locations as well as other additional maintenance items. She stated the additional items add \$42,245.50 to the contract and the "as needed" items add \$29,915.50 to the contract. Jon Strange stated the District's budget be amended to add between \$45,000 and \$46,000 to the existing budget amount for Storm Water Solutions.

Following further discussion, it was moved by Director Trujillo and seconded by Director Young that the Amendment to the Storm Water Solutions contract be approved, which motion carried unanimously.

4. The Board discussed developing a District website. Shannon Waugh of Off Cinco presented an agreement for the Board's consideration. Ms. Waugh discussed the website layout options, the monthly hosting and maintenance options and the additional services offered. Mr. Richardson recommended the Board include document monitoring. The Board agreed to the fixed layout option and the option with unlimited updates and required document monitoring. A copy of the website agreement is attached as Exhibit "B".

Following further discussion, it was moved by Director Flores and seconded by Director Young that the agreement for website services with Off Cinco be approved, which motion carried unanimously.

5. Mary DuBois of Acclaim Energy addressed the Board regarding its electricity contract. Mr. Richardson recommended the Board authorize Director Benson to execute the electricity contract at the lowest possible rate with the best terms available.

Following further discussion, it was moved by Director Trujillo and seconded by Director Flores to authorize the President to execute the electricity contract at the lowest possible rate, which motion carried unanimously.

6. Debbie Arrellano presented the tax assessor-collector's report, a copy of which is attached as Exhibit "C". The report indicated the District has collected 93.79% of its 2018 taxes and 99.49% of its 2017 taxes as of August 31, 2019.

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

7. The Board next considered approving the Resolution Nominating a Candidate for a Position on the Board of Directors of HCAD. Mr. Richardson explained that every two years water districts have the opportunity to nominate a person to run for a position on the HCAD Board of Directors. The Board did not take any action.

8. The Board next discussed the 2019 Tax Rate. Drew Masterson presented a 2019 Tax Rate Analysis, a copy of which is attached as Exhibit "D". He reported the District's Certified Value increased 14%. Mr. Masterson stated the 2018 total tax rate was \$0.76, with a \$0.39 debt rate and a \$0.37 maintenance rate. He recommended keeping the same tax rate for 2019.

Following further discussion, it was moved by Director Trujillo and seconded by Director Flores that the tax assessor/collector be authorized to publish the tax rate calculation, as required by law, with a debt rate of \$0.39 and a maintenance rate of \$0.37, for a total tax rate of \$0.76, and to set a public hearing date of October 9, 2019 at 10:30 a.m., which motion carried unanimously.

9. 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 "E". Ms. Cole stated the engineer requested holding the check to G&A Boring for Pay Estimate No. 2.

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

10. Mike Potter did not present the Operators Report, but did present a request from a customer for waiver of the reconnect fee. The Board agreed to enter into a four-month payment plan with the customer.

Following further discussion, it was moved by Director Young and seconded by Director Flores to approve entering into a four-month payment plan with customer, as discussed, which motion carried unanimously.

11. The Developer's Report was not presented at this time.

12. Mr. Strange presented the engineer's report, a copy of which is attached as Exhibit "F". Mr. Strange discussed the Wastewater Collection System. He presented for signature the contract from Insituform Technologies for the CIPP lining of the Sanitary Sewer and the contract from CSI Consolidated for the televising and cleaning of the Sanitary Sewer 2019-2020 Phase 3.

Mr. Strange presented for approval Change Order No. 2 from W.W. Payton, for the Motor Control Replacement and additional Booster Pump at Water Plant No. 1, which would be a \$6,546.00 deduction in the contract price.

Mr. Strange next presented for approval Change Order No. 2 from W.W. Payton, for the generator at Water Plant No. 1, which would be a \$600.00 deduction in the contract.

Mr. Strange presented for approval Pay Estimate No. 3 from W.W. Payton, in the amount of \$160,650.00, for Water Plant No. 2, Phase 1 contract.

Mr. Strange presented for approval Pay Estimate No. 2 from G&A Boring Directional LLC, in the amount of \$58,853.70, for the 16-inch transmission line to serve Water Plant No. 2 and the 12-inch distribution line. He also presented for approval Change Order No. 1 for said project, which would be add \$23,000.00 to the contract price.

Mr. Strange next requested the Board approve the Strategic Plan amendment to reflect the Storm Water Solutions amended contract.

Mr. Strange discussed the Silver Springs development. He requested the Board accept the Silver Springs, Section 2 water, sewer and drainage facilities for a one-year warranty period beginning October 1, 2018 and ending October 1, 2019. Mr. Strange also requested authorization for the preparation of a Consent to Encroachment Agreement for a brick Silver Springs sign that is in a 30-foot wide water line easement.

Mr. Strange discussed the Spring ISD 80-acre site. He requested the Board accept Roberson Middle School's water, sewer and drainage facilities beginning July 2, 2019 for a one-year warranty period.

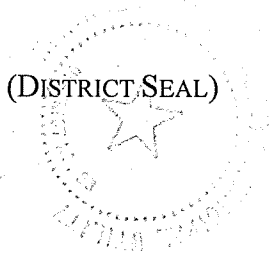
Following further discussion, it was moved by Director Trujillo and seconded by Director Flores to approve the engineer's report, to sign the contracts for the CIPP lining of the Sanitary

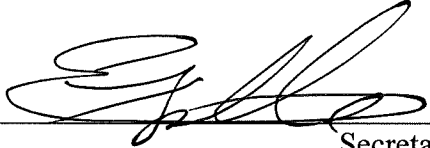
Sewer and for the televising and cleaning of the Sanitary Sewer 2019-2020 Phase 3, to approve Change Order No. 2 for the Motor Control Replacement and additional Booster Pump at Water Plant No. 1, to approve Change Order No. 2 for the generator at Water Plant No. 1, to approve Pay Estimate No. 3 for Water Plant No. 2, Phase 1, to approve Pay Estimate No. 2 and Change Order No. 1 for the 16-inch transmission water line to serve Water Plant No. 2 and the 12-inch distribution line, to approve the Strategic Plan amendment, to accept the Silver Springs, Section 2 water, sewer and drainage facilities, to authorize the preparation of a Consent to Encroachment, and to accept Roberson Middle School's water, sewer and drainage facilities, 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 9th day of October, 2019.

(DISTRICT SEAL)




Secretary