

**NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 24**  
**Minutes of Meeting of Board of Directors**  
**August 6, 2019**

The Board of Directors (“Board”) of Northwest Harris County Municipal Utility District No. 24 (“District”) held its regular monthly meeting at 14446 Hollister Road, Houston, Texas in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

Darryl Simon, President  
Mark Cain, Vice President  
Darrel Felton, Secretary  
William Puder, Assistant Secretary  
Clarence Miller, Director/General Manager

all of said members were present, except Director Felton who was absent, thus constituting a quorum.

Also present were Esther Flores of Tax Tech, Inc. (“Tax Tech”); Keith Arrant of Municipal Operations & Consulting, Inc. (“MOC”); Sergio Handal of Pape-Dawson Engineers, Inc. (“Pape-Dawson”); Bill Russell (late) of Myrtle Cruz, Inc. (“Myrtle Cruz”); Jonathan Roach and Frank Mitchell of Roach & Mitchell, PLLC (“RMPLLC”); Darrell Turner of Atlas Consulting (“Atlas”); Deputy Lillibridge of the Harris County Sheriff’s Office (“HCSO”); and various residents of the District.

The President called the meeting to order and declared it open for such business as might regularly come before it.

**MINUTES**

The Board considered for approval the minutes from the July 2, 2019, regular meeting. Director Cain moved, seconded by Director Puder, to approve the minutes from the July 2, 2019, regular meeting as presented. The motion passed unanimously.

**COMMENTS FROM THE PUBLIC**

Ms. Donna Curry inquired as to the employment conditions of the District’s General Manager and additionally about certain homeowners association matters. Director Miller noted that, in his absence, the District’s President or Vice President are authorized to handle issues related to the Administration/Activities Building (the “Building”). Director Miller noted issues he has with RMPLLC. There was also discussion related to who should conduct the Board’s meetings. Next, Mr. Roach explained that the General Manager’s contract requires that he either work events at the Building or, alternatively, he has the option to not work at his discretion and instead engage attendants who he can then pay out of his own salary. Next, the Board discussed notices received

from Ashcreek Homeowners Association (“Ashcreek HOA”) related to alleged violations by the District for maintenance of the properties the District currently owns. Ms. Rene Taylor then inquired about access to copies of the District’s minutes and agendas and rental fees for the Building, and Mr. Roach explained that such information is regularly updated and available on the District website.

Mr. Russell entered the meeting at this time.

### **LAW ENFORCEMENT REPORT**

Deputy Lillibridge presented the Law Enforcement Report and reviewed incidents within and surrounding the District during the month. There was discussion related to parking issues and unused vehicles. After no further discussion, Director Simon moved, seconded by Director Puder, to approve the Law Enforcement Report. The motion passed unanimously.

### **REVIEW STATUS OF EARLY DEBT DEFEASANCE AND NECESSARY AUTHORIZATIONS TO CLOSE, INCLUDING FILING OF MATERIAL EVENT NOTICE(S)**

Mr. Roach noted the status of early debt defeasance options for the Board, informing the Board that the District will be able to use existing funds to pay for previous bonds with a total savings to the District of approximately \$765,300. Mr. Russell confirmed that there will be no financial losses for using money currently in CDs for payment of the previous bonds, other than losing the current/future monthly interest.

### **TAX ASSESSOR/COLLECTOR REPORT**

Ms. Flores presented the Tax Assessor/Collector Report including the checks presented for payment, a copy of which is attached hereto as **Exhibit A**. Additionally, she provided an update on the accounts which are currently in litigation. Ms. Flores informed the Board that the District-owned property at 5634 Oak Falls Dr. has outstanding property taxes owed for 2018 which is the pro-rated amount which should have been collected at closing from the former owner. After discussion, Director Simon moved, seconded by Director Miller, to pay the outstanding property taxes for 5634 Oak Falls Dr. other than the District’s taxes and to waive all taxes the District would otherwise have collected but which now shows as owing to itself. The motion passed unanimously. After no further discussion, upon motion by Director Puder, seconded by Director Simon, the Board voted unanimously to approve the Tax Assessor/Collector Report, including payment of checks therein.

### **BOOKKEEPER’S REPORT**

Mr. Russell presented the Bookkeeper’s Report, a copy of which is attached as **Exhibit B**. He noted that some of the District’s CDs were closed out in order to pay off the previous bonds as previously discussed. Next, the Board discussed the proposed fiscal year end (“FYE”) 2020 budget. After further discussion, Director Miller moved to approve the Bookkeeper’s Report including payment of invoices therein and checks presented. Director Simon seconded the motion, which

passed unanimously.

### **GENERAL MANAGER REPORT AND ADMINISTRATION/ACTIVITIES BUILDING (“BUILDING”) UPDATE**

Director Miller presented the General Manager Report and Building Update, a copy of which is attached as **Exhibit C**. Director Miller reported that a senior citizen event occurred on August 6, 2019 and that there was a black-tie event scheduled on September 13, 2019 from 5:00 p.m. to 9:00 p.m. Next, he informed the Board that the senior citizens have a trip to NASA planned and that the District will be providing breakfast.

Next, Director Miller discussed the fire inspection and Mr. Roach noted that there are still additional changes that need to be made to the second contract for fire inspection. After discussion, the Board concurred that, if the contractual terms are not agreed upon within two (2) weeks, the General Manager should solicit a different fire inspection company. Mr. Roach informed the Board, however, that the Fire Marshall had already cleared the Building for events to occur and simply needed to conduct a re-inspection of the punchlist items to be addressed in the second fire inspection contract. Director Miller then informed the Board that there are new access cards for the new security system and requested that the Directors sign for the new access cards. He then advised the Board that the water heater at the Building malfunctioned and he contacted a contractor about the necessary repairs. He informed the Board that the cost for the repairs was \$1,259 for the replacement water heater and \$210 for installation. Director Simon moved, seconded by Director Cain, to approve replacement of the water heater and authorize signing of the check for the contractor in the discussed amount. The motion passed unanimously.

Next, Director Miller expressed concerns about the current landscape contractor and presented pictures regarding same. Additionally, he requested that the District audit RMPLLC's invoices. After discussion, the Board requested that all consultant invoices be submitted to all Directors in advance of each meeting. Director Miller then moved to audit the prior year of RMPLLC's invoices. The motion failed for lack of a second. Mr. Russell noted that the invoices would have to be received five (5) days prior to the meeting. Director Simon, seconded by Director Puder moved to approve the General Manager's Report. The motion passed unanimously.

### **REVIEW GENERAL MANAGER EMPLOYMENT MATTERS, INCLUDING POSSIBLE LEGAL CLAIMS AGAINST THE DISTRICT**

Mr. Roach reviewed several contract provisions applicable to the pending dispute between the District and its General Manager. Director Miller then explained his work hours and various emergency situations he handles. He expressed that he feels it is unfair that he agreed to a salaried position which requires a minimum forty (40) hour work week but he must work outside normal business hours. Mr. Cain provided additional details of the requirements of the General Manager position from the time he served as General Manager. The Board deferred further discussion on the matter until executive session later in the meeting.

## UPDATE ON DESIGN OF ADMINISTRATION/ACTIVITIES BUILDING UPGRADE PROJECT (SMITH & CO.)

Mr. Turner discussed additional updates on the design of the Administration/Activities Building Upgrade Project (the "Project"). He provided a new construction schedule noting new dates for advertisements for the re-bids. Director Puder then moved, seconded by Director Simon, to approve the new bid dates and authorize the bid solicitation as discussed. The motion passed unanimously.

## OPERATION AND MAINTENANCE REPORT

Mr. Arrant presented the Operation and Maintenance Report, a copy of which is attached hereto as **Exhibit D**. He advised that there were no issues to report, and the District is in compliance. He further noted that there were no uncollectible accounts at this time. The Board discussed procedural issues related to responses to operational problems that arise and who prepares reports on such matters. After discussion, Director Puder then made a motion to approve the Operation and Maintenance Report, including the cut-off list. Director Simon seconded said motion, which carried unanimously.

## ENGINEER'S REPORT

Mr. Handal presented the Engineer's Report, a copy of which is attached as **Exhibit E**. Mr. Handal first presented two (2) options for the Board's consideration related to improvements to the Wastewater Treatment Plant ("WWTP") access road as follows: (1) concreting the portion of the access road located wholly within the plant site at an estimated cost of \$120,000, or (2) concreting the access road both inside and outside the plant at an estimate cost of \$270,000. After discussion, Director Cain moved, seconded by Director Miller, to approve the second option—concreting the access road both inside and outside the plant not to exceed \$270,000. The motion passed unanimously.

Next, Mr. Handal informed the Board that he received a request for service from RSG Engineering on behalf of 2-C Equipment. After reviewing the details and scope of the proposed development, he recommended approving the capacity commitment to 2-C Equipment in the amount of 3 ESFCs. Director Puder moved, seconded by Director Simon, to approve the utility commitment to 2-C Equipment in the amount of 3 ESFCs contingent upon them providing additional safety documents for the District engineer's review. The motion passed unanimously.

Mr. Roach noted that the security camera issues are still being addressed with the Ashcreek HOA, and Director Puder discussed the results and nature of the HOA produced survey related to the security cameras. The Board then asked that the residents who were present to express their opinions regarding the security cameras. There was no voiced opposition from the residents who were present regarding the installation of the cameras.

Next, Mr. Handal noted that Harris County Flood Control District (“HCFCD”) requested to encroach on the District’s property which would likely require relocation of the sanitary sewer main. He advised that HCFCD further requested that the District cover 100% of the cost of relocation of the sanitary sewer main. The Board concurred that they would not grant the encroachment if also conditioned on the District’s payment of the relocation costs.

#### **I.T. AND WEBSITE CONSULTANT REPORT**

There was no I.T. and Website Consultant Report presented.

#### **ATTORNEY’S REPORT**

Mr. Roach discussed a request pursuant to the Texas Open Meetings Act (“TOMA”) from Director Miller. He informed the Board that the response to the request is being hand-delivered to Director Miller at this meeting. He further informed the Board that RMPLLC is preparing a legislative update for future presentation. He then discussed the most recent arbitrage compliance report from Municipal Risk Management Group, noting that the District is compliant. Next, he noted the District received a request for a candidate to be placed on the next Director’s Election ballot, but it appears the request may be for another district. Next, he outlined the notice requirements for the previously approved early debt defeasance (both before and after closing on the defeasance), informing the Board that RMPLLC will complete those notices upon Board approval. Director Puder then moved, seconded by Director Simon, to authorize RMPLLC to complete all notices required for the early debt defeasance. The motion passed unanimously.

#### **DISCUSSION REGARDING PENDING/FUTURE MATTERS**

Next, the Board informed the public that it intends to use the properties that were purchased for certain proposed park improvements. The Board had no additional discussion regarding pending/future matters.

#### **EXECUTIVE SESSION UNDER SECTION 551.071, 551.072, 551.074, et seq., TEXAS GOVERNMENT CODE**

All attendees exited the meeting at this time except the Board and the District’s attorneys. The Board then entered into executive session at 8:49p.m. for discussion related to employment matters.

#### **RECONVENE IN OPEN SESSION, AND AUTHORIZE ANY ACTION RESULTING FROM EXECUTIVE SESSION**

The Board reconvened in open session at 8:52p.m. Director Miller exited the meeting at this time.

EXECUTIVE SESSION UNDER SECTION 551.071, 551.072, 551.074, et seq., TEXAS GOVERNMENT CODE

The Board then reentered into executive session at 8:52p.m. for consultation with their attorneys.

RECONVENE IN OPEN SESSION, AND AUTHORIZE ANY ACTION RESULTING FROM EXECUTIVE SESSION

The Board reconvened in open session at 9:20 p.m. The Board concurred with scheduling a special meeting to discuss General Manager employment matters on August 27, 2019 at 7:00p.m.

ADJOURNMENT

There being no further matters to come before the Board, Director Simon moved, seconded by Director Puder, to adjourn the meeting. The motion passed unanimously.

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Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

[SEAL]

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Secretary,  
Board of Directors

**LIST OF EXHIBITS**

- Exhibit A - Tax Assessors/Collector's Report
- Exhibit B - Bookkeeper's Report
- Exhibit C - General Manager Report and Administration/Activities Building Update
- Exhibit D - Operation and Maintenance Report
- Exhibit E - Engineer's Report

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