

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 24
Minutes of Meeting of Board of Directors
January 7, 2020

The Board of Directors (the "Board") of Northwest Harris County Municipal Utility District No. 24 (the "District") held its regular monthly meeting at 14446 Hollister Road, Houston, Texas 77066, 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

All of said members were present, 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 of Myrtle Cruz, Inc. ("Myrtle Cruz"); Jonathan Roach and William Colley of Roach & Mitchell, PLLC ("RMPLLC"); Deputy Lillibridge of the Harris County Sheriff's Office ("HCSO"); Jeremy Roach of Apollo IT Consulting, LLC ("Apollo"); Ryan Fortner of Sales Revenue, Inc. ("SRI"); Derick Mendoza of Linebarger Goggan Blair & Sampson, LLP ("Linebarger"); and Tommy Cooper, a resident of the District.

MINUTES OF PRIOR BOARD MEETING(S)

The Board considered for approval the minutes from the March 26, 2019, special meeting and the December 3, 2019, regular meeting. Director Miller advised that he did not receive a copy of the draft minutes prior to the Board meeting but a copy was presented at the meeting. After a brief discussion relating to possible revisions, the Board opted to defer approval of the minutes from the March 26, 2019, special meeting. Then, upon a motion by Director Simon, seconded by Director Cain, the Board voted unanimously to approve the minutes from the December 3, 2019, regular meeting as presented.

PUBLIC COMMENTS

There were no public comments.

LAW ENFORCEMENT REPORT

Deputy Lillibridge presented the Law Enforcement Report and reviewed incidents within and surrounding the District during the previous month. Mr. Cooper inquired about the patrolling

deputies' schedules, and Deputy Lillibridge responded that the deputies are scheduled for patrol seven (7) days a week.

AUDIT REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019

Mr. Roach advised that the auditor is diligently working to complete the audit for presentation to the Board in February 2020.

STATUS OF ANNUAL CONTINUING DISCLOSURE REPORT (DUE MARCH 31)

Mr. Roach explained that the filing of the annual Continuing Disclosure Report corresponds with the District's audit and that no action is needed at this time or possibly any further since the District has paid off all outstanding prior bond obligations.

SALES REVENUE, INC., REPORT REGARDING SPA REVENUES

Mr. Fortner presented and reviewed the Sales Tax Revenue Report and explained sales tax revenue trends in the District. Mr. Fortner advised that an annual SPA business listing report, which is due to the City of Houston ("COH") by January 20, 2020, was submitted as of January 6, 2020 for further processing. After no further discussion, Director Simon made a motion, seconded by Director Felton, to approve the Sales Revenue Report. The motion passed unanimously.

TAX ASSESSOR'S REPORT

Ms. Flores presented and reviewed the Tax Assessor's Report, including the checks presented for payment, a copy of which report is attached hereto as **Exhibit A**. After brief discussion, Director Puder made a motion to approve the Tax Assessor's Report, including payment of the checks listed therein. Director Felton seconded the motion, which passed unanimously.

DELINQUENT TAX ATTORNEY'S REPORT

Mr. Mendoza presented and reviewed the Delinquent Tax Attorney's Report. Director Puder then made a motion to approve the Delinquent Tax Attorney's Report. Director Felton seconded the motion, which carried unanimously.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Roach presented the Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit B**, and noted that pursuant to applicable sections of the Texas Tax Code the District can levy an additional penalty of up to twenty percent (20%) to cover the costs of collections on any delinquent personal property tax accounts as of February 1st each year. Director Puder then moved to authorize the additional penalty

on delinquent personal property taxes per the Tax Code and adopt the Resolution as presented. Director Simon seconded the motion, which passed unanimously.

RESOLUTION GRANTING EXEMPTIONS FROM TAXATION FOR 2020

Mr. Roach presented the Resolution Concerning Exemptions from Taxation for 2020, a copy of which is attached hereto as **Exhibit C**, and he explained the exemptions available under Section 11.13 of the Texas Tax Code for 2020 and noted the prior years' exemptions adopted by the Board. After discussion, Director Felton moved to adopt the Resolution to include: (1) an exemption of \$85,000 for individuals who are over sixty-five (65) years of age and under a disability according to applicable federal statutes; and (2) a general homestead exemption of ten percent (10%). Director Cain seconded the motion, which passed unanimously.

BOOKKEEPER'S REPORT

Mr. Russell presented and reviewed the Bookkeeper's Report, including the payment of invoices contained therein, a copy of which is attached hereto as **Exhibit D**. The Board then discussed the Directors' attendance at the Association of Water Board Directors ("AWBD") conference and concurred with allotting each Director a \$1,000 advance for related expenses. Mr. Roach then noted check #9557, written to Arthur J. Gallagher ("AJG") for the District's insurance policy renewal. Director Simon then made a motion to approve the Bookkeeper's Report, including payment of the invoices therein and check #9557 to AJG for the District's insurance policy renewal. Director Puder seconded the motion, which passed unanimously. Mr. Roach advised that details regarding the insurance policy renewal will be discussed later in the meeting.

GENERAL MANAGER'S REPORT

Mr. Arrant presented and reviewed the General Manager's Report, a copy of which is attached hereto as **Exhibit E**. Mr. Arrant updated the Board on the status of inspections, remediation, and other matters relating to the Administration/Activities Building (the "Building"), stating that all inspections have been completed and that inspectors should return to the Building for a final inspection and approval within two (2) weeks. Mr. Arrant also advised that the Building's security cameras are fully operational again. Director Puder inquired about the Building's entrance gate, and Mr. Arrant advised of repairs that are in progress. The Board then discussed the recent Senior Citizens event.

Next, the Board discussed options for catering/chef services. Mr. Arrant advised that once the Fire Marshall issues are resolved, more options will be available to work with the District's hired chef for food preparation and services at the Building. The Board then discussed a \$300 expense for a third-party's cleaning of the Building windows and a \$500 expense for the same third-party's cleaning of the Building's grill. After extensive discussion, the Board concurred that all future expenses for similar items should first be approved by the Board prior to being incurred and that, as the District's General Manager, MOC should be advised of potential Building related projects prior to being performed. Director Simon then made a motion to approve the \$300 and \$500 expenses

related to Building cleaning noting that the work was already performed and completed so payment should be made to the vendor. Director Cain seconded the motion, which passed three-to-two (3-2), with Directors Miller and Puder opposing. After no further discussion, Director Puder moved to approve the General Manager's Report. Director Felton seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Arrant presented and reviewed the Operator's Report, a copy of which is attached hereto as **Exhibit F**. He also addressed the moving of accounts to collections or the uncollectible roll. The Board then discussed the need for Comcast to connect security cameras at the District's various facilities. Mr. Arrant advised that he will contact Comcast regarding the issue. After no further discussion, Director Cain made a motion, seconded by Director Felton, to approve the Operator's Report. The motion carried unanimously.

ADMINISTRATION/ACTIVITIES BUILDING UPGRADE PROJECT (SMITH & CO.)

Mr. Roach advised that there were no updates at this time.

ENGINEER'S REPORT

Mr. Handal presented and reviewed the Engineer's Report, a copy of which is attached hereto as **Exhibit G**. Mr. Handal then updated the Board on the status of the easement access approval for the Wastewater Treatment Plant access road project. He also discussed the status of the re-platting issue and communications with COH, stating that COH has not provided many updates. Mr. Handal said that COH returned an Affidavit of Ownership to be signed by the Board and submitted with the re-platting package for COH's approval. Director Felton then inquired as to how the process would affect construction, and Mr. Roach advised that a Notice to Proceed was issued to the contractor so construction should be able to proceed in phases as previously authorized by the Board. After discussion, Director Felton made a motion to approve the Engineer's Report and authorize the signing and submission of the Affidavit of Ownership. Director Simon seconded the motion, which passed unanimously.

COMMUNICATIONS CONSULTANT REPORT

Mr. Jeremy Roach presented the Communications Consultant Report. He then updated the Board on the purchase of a new podium/microphone for use in the Building. Mr. Jeremy Roach advised that he had received an estimate of \$2,500 for a new podium/microphone but also presented an alternate option consisting of "stick speakers" that could tie into the Building's existing system. Director Cain expressed concern over the forthcoming construction's potential interference with the existing system and made a motion to approve the purchase of the new podium/microphone in an amount not to exceed \$2,700. Director Puder seconded the motion, which carried unanimously. Next, Mr. Jeremy Roach advised that the SIM cards for the Directors' District devices may need replacement, so a total of ten (10) new cards were ordered through Verizon. After brief discussion,

Director Simon made a motion to approve the Communications Consultant Report. Director Felton seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Mr. Roach reviewed important 2020 Directors Election dates and the election process generally with the Board, advising that Directors Cain, Miller, and Puder are up for re-election. Mr. Roach then mentioned the Board's option under the provisions laid out in the Texas Water Code of designating places for Board member positions in lieu of all positions being considered at-large. The Board discussed this option at length and opted to defer taking action. Director Simon then moved that a special meeting be held on Tuesday, January 14, 2020, to review this item and come to a decision. Director Puder seconded the motion, which carried unanimously. Mr. Roach then reviewed the District's 2020 Master Calendar with the Board. Director Puder then moved, seconded by Director Simon, to approve the Attorney's Report. The motion carried unanimously.

REVIEW OF POSSIBLE UNEMPLOYMENT, DISCRIMINATION, AND LEGAL CLAIMS AGAINST THE DISTRICT

Mr. Roach advised that an update will be provided to the Board during executive session.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

Mr. Roach mentioned the AJG insurance renewal proposal previously addressed during the Bookkeeper's Report. Upon a motion by Director Felton, seconded by Director Puder, the Board voted unanimously to accept the insurance renewal proposal and ratify same at the next regularly scheduled Board meeting. The Board then discussed scheduling a strategic planning.

EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.071, 551.074, ET. SEQ.

All attendees, including Director Miller, exited the meeting at this time, leaving only the remaining Board members and the District's legal counsel. The Board then entered executive session under Texas Government Code Sec. 551.071 at 8:16 p.m.

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

The Board reconvened in open session at 8:27 p.m. There was no action taken at this time.

ADJOURNMENT

There being no further business to come before the Board at this time, Director Felton made a motion to adjourn the meeting. Director Simon seconded the motion, which passed unanimously.

Passed and approved this ____ day of _____, 2020.

Secretary, Board of Directors

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LIST OF EXHIBITS

- Exhibit A - Tax Assessor's Report
- Exhibit B - Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes
- Exhibit C - Resolution Concerning Exemptions from Taxation
- Exhibit D - Bookkeeper's Report
- Exhibit E - General Manager's Report
- Exhibit F - Operator's Report
- Exhibit G - Engineer's Report