

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

The Board of Directors (the “Board”) of Northwest Harris County Municipal Utility District No. 24 (the “District”) held its regular monthly meeting via videoconference, in accordance with the duly posted notice of meeting and in conjunction with the most recent executive action by Texas Governor Abbott regarding the Texas Open Meetings Act. 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, Debbie Gentry and Hanna Gallant of Roach & Mitchell, PLLC (“RMPLLC”); Mary DuBois of Acclaim Energy (“Acclaim”); Jeremy Roach of Apollo IT Consulting, LLC (“Apollo”); Darrell Turner of Atlas Consulting (“Atlas”), who joined later in the meeting; Derick Mendoza of Linebarger Goggin Blair & Sampson, LLP (“Linebarger”); Renai Moran of SC-Architects (“SC Architect”); Jennette Boone of Ashcreek Homeowners Association, Inc.; and Calvin Williams a resident of the District.

MINUTES OF PRIOR BOARD MEETING(S)

The Board considered for approval the minutes from the June 2, 2020, regular meeting. Upon a motion by Director Cain, seconded by Director Puder, the Board voted unanimously to approve the minutes from the June 2, 2020, regular meeting.

PUBLIC COMMENTS

There were no public comments.

LAW ENFORCEMENT REPORT

No law enforcement officers were present at the meeting, but Mr. Roach advised that a copy of the Law Enforcement Report had been provided to the Board.

TAX ASSESSOR'S REPORT

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

DELINQUENT TAX ATTORNEY'S REPORT

Mr. Mendoza presented and reviewed the Delinquent Tax Attorney's Report. After some discussion regarding payment plans for delinquent customers, Director Miller made a motion, seconded by Director Puder, to approve the Delinquent Tax Attorney's Report and to authorize Linebarger to begin sending out letters to delinquent customers reminding them of their balance. The motion 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 report is attached hereto as **Exhibit B**. Director Miller asked about the invoices from Foley & Lardner LLP, and Mr. Roach explained that the invoices are related to the District's legal defense against Mr. Miller's lawsuit and claims against the District and that further discussion on the matter would occur during Executive Session. Director Miller then questioned RMPLLC's invoices and suggested there has been too much communication regarding the COVID-19 pandemic. Mr. Roach explained the invoice issues raised by Mr. Miller and suggested the matter be further discussed in Executive Session due to the nature of Mr. Miller's lawsuit and legal claims against the District. After extensive discussion, Director Felton made a motion, seconded by Director Simon to approve the Bookkeeper's Report, including payment of invoices and checks presented. The motion passed unanimously.

Next, Mr. Roach advised the Board that the AWBD Annual Conference has been revised from the usual in-person format to a remote only option for any Directors interested in attending. He then noted that AWBD had cancelled all prior registrations and that if any Directors were interested in attending the remote conference they would have to re-register.

UPDATE ON ELECTRICITY CONTRACT

Mrs. Dubois explained that the new electricity contract for the District went into effect June 1, 2020, but reminded the Board of the option to revise that contract as part of a larger electricity aggregation pool for an additional potential 9% savings. After some discussion, Director Simon made a motion, seconded by Director Simon to approve joining the aggregation pool being set up with parameters for a contract price not to exceed \$0.03995 per kWh and a term from June 1, 2021 through April 30, 2029, allowing the authorization to extend through December 2020 to lock in the lower rate. The motion passed unanimously.

UPDATE ON PROPOSED WATER DISTRIBUTION/COMMUNITY OUTREACH OPTIONS

There was an extensive discussion regarding a Back to School give-away event being sponsored by Director Miller and the other two (2) non-incumbent Director candidates in the upcoming November 2020 Directors Election and the Board's previously discussed interest in providing the community with masks and water during the ongoing COVID-19 pandemic. Mr. Roach reminded the Board of certain applicable laws regarding donations of District resources and restrictions on campaigning while giving items away, and he suggested that Mr. Miller discuss the legalities of the proposed give-away with his personal legal counsel.

GENERAL MANAGER'S REPORT

Mr. Arrant presented and reviewed the General Manager's Report, noting that he had collected quite a few masks for the District's use as previously directed by the Board. After discussion, the Board concurred to allow Mr. Arrant and Director Felton to proceed with coordinating the District-sponsored mask giveaway. Next, Mr. Arrant noted that someone had expressed interest in renting the Administration/Activities Building once it becomes available again and had asked for a copy of the building re-design plans. After some discussion the Board concurred to wait until the building was closer to being completed. Next, Director Miller asked if he could borrow four (4) tables for his Back to School give-away, and Mr. Roach noted that to do so would be an unauthorized use of District resources for Mr. Miller's personal benefit and campaign and, therefore, not appropriate. After brief discussion, Director Felton made a motion to approve the General Manager's report. Director Cain 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 C. He then discussed that MOC is now providing notices to delinquent customers to advise of their outstanding balances but MOC will not be terminating service at this time until further directed by the Board. Next, Mr. Arrant discussed the repainting of the fire hydrants at a cost of \$4,600. Director Miller asked about the warranty on the previous painting of the fire hydrants, and Mr. Arrant said he would confirm but the new quote does not include a warranty. After discussion, the Board concurred to authorize Mr. Arrant to paint the fire hydrants for the cost of \$4,600 subject to verification of whether the prior warranty remains in effect or not. The Board also discussed certain water bill charges for voluntary payments totaling \$4.50 and, after discussion, the Board concurred to authorize Mr. Arrant to send notices to all customers regarding the voluntary \$4.50 payments. Director Simon then made a motion, seconded by Director Felton, to approve the Operator's Report, which passed unanimously.

Mr. Turner joined the meeting at this time.

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

Mr. Turner provided an update on the status of the Building upgrade project including renovation of the existing Building and the demolition of the two residential homes as part of the overall project, noting that the homes should be demolished within the next approximately four weeks. He then mentioned that construction meetings would be held onsite at the construction trailer on Fridays at 10:00 a.m. After no questions, Director Simon made a motion, seconded by Director Puder, to accept the project update. The motion passed unanimously.

ENGINEER’S REPORT

Mr. Handal presented and reviewed the Engineer’s Report, a copy of which is attached hereto as Exhibit D. He mentioned that the Access Easement required from Harris County Flood Control District (“HCFCD”) was drafted and an appraisal value on the easement determined at \$6,825. After some discussion, Director Puder made a motion to approve the purchase of the Access Easement from HCFCD for \$6,825. Director Miller seconded the motion, which passed unanimously.

Next, Mr. Handal mentioned that he had received and is currently reviewing construction plans from Bammel North Houston Business Park (“BNHBP”). He then noted that a revised Utility Commitment Letter has been sent to BNHBP for signature. After some discussion regarding approaching BNHBP about building a bigger walking trail, Director Miller made a motion, seconded by Director Felton to approve the Engineer’s Report, which passed unanimously.

Mr. Handal exited the meeting at this time.

IT CONSULTANT REPORT

Mr. Jeremy Roach presented the IT Consultant Report and discussed the need to purchase a new iPad for Director Simon, subject to warranty expiration. Next, Jonathan Roach noted that all Directors had completed the cybersecurity training, and he reminded the Board that the training will be an annual requirement. After some discussion, Director Felton made a motion to authorize the purchase of a new iPad, subject to warranty expiration for Director Simon and to approve the IT Consultant Report. Director Simon seconded the motion, which passed unanimously.

STATUS OF ANNUAL ARBITRAGE REPORTING

Mr. Roach reminded the Board of the District’s arbitration reporting requirements, stating that a final report is still required after the District’s bonds were previously defeased (paid in full) in November 2019. He then reminded the Board that they had approved the Arbitrage Compliance Specialists Inc. (“ACSI”) proposal in the amount of \$500 to complete the District’s final Arbitrage Report, and RMPLLC will continue to follow up on the status of the report.

ATTORNEY'S REPORT

Mr. Roach discussed Director Miller's request for copies of Foley & Lardner LLP's legal invoices and that it could potentially be considered an open records request and noted that the Board could discuss further in executive session. Next, Mr. Roach discussed the 2020 Directors Election noting that Harris County had provided a contract for election services but that the cost has not yet been provided. After some discussion regarding the joint election process and costs, Director Cain made a motion, seconded by Director Simon to approve the election services agreement, which passed unanimously. Next, Mr. Roach advised the Board that effective August 1, 2020, his partner, Frank Mitchell, is departing RMPLLC to start his own solo practice. He then noted that he has enjoyed working with the District and would like to continue to be of service to the District but advised the Board of their inalienable right to choose counsel and he discussed options for same and the likely impending firm name change. After a brief discussion, Director Simon made a motion, seconded by Director Cain to continue working with Jonathan Roach, as District counsel under the appropriate new firm name. The motion passed unanimously.

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

Director Miller noted that he should be part of the executive session on the matter as a Director on the Board. Mr. Roach explained that although he is a Director, he is not entitled to attend the executive session portion of the meeting where those will be discussed due to the nature of the legal claims he has filed against the District since he is a direct party opponent against the District. After discussion, the Board concurred to not allow Director Miller to attend the executive session. Everyone exited the meeting at this time except the Board and legal counsel (Director Miller also exited at this time).

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

The Board, with the exception of Director Miller, entered executive session at 8:57 p.m. for consultation with their attorney.

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

The Board (including Director Miller) and legal counsel reconvened in open session at 9:20 p.m. Director Felton made a motion to (1) keep confidential the Foley & Lardner LLP legal invoices, including not disclose those to Director Miller despite his position on the Board, subject to an open records letter ruling from the Texas Attorney General if necessary; and (2) have Foley & Lardner LLP continue to proceed with the legal strategy and course of action as discussed. Director Cain seconded said motion. The motion passed four-to-zero-to-one (4-0-1), with Director Miller abstaining from the vote.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred that the next meeting will be held at via telephone/video-conference at 7:00pm on August 4, 2020.

ADJOURNMENT

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

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Passed and approved this 4th day of August, 2020.

Secretary, Board of Directors

LIST OF EXHIBITS

- Exhibit A - Tax Assessor's Report
- Exhibit B - Bookkeeper's Report
- Exhibit C - Operator's Report
- Exhibit D - Engineer's Report