

**NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 24**  
**Minutes of Meeting of Board of Directors**  
**August 4, 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”); Jeremy Roach of Apollo IT Consulting, LLC (“Apollo”); Darrell Turner of Atlas Consulting (“Atlas”); Mr. Derick Mendoza of Linebarger Goggin Blair & Sampson, LLP (“Linebarger”); and Arthur Chambers, a resident of the District.

**MINUTES OF PRIOR BOARD MEETING(S)**

The Board considered for approval the minutes from the July 7, 2020, regular meeting. Upon a motion by Director Puder, seconded by Director Cain, the Board voted unanimously to approve the minutes from the July 7, 2020, regular meeting, as revised.

**PUBLIC COMMENTS**

Mr. Chambers asked about election dates and Mr. Roach explained that election matters would be discussed later in the meeting.

**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. After discussion, Director Puder concurred with reviewing the Law Enforcement Reports at future meetings where an officer is not present.

## 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, and the litigation report. She then mentioned that the 2020 certified values from Harris County Appraisal District should be available towards the end of August. After brief discussion, Director Felton made a motion to approve the Tax Assessor's Report, including payment of the checks listed therein. Director Cain seconded the motion, which passed unanimously.

## DELINQUENT TAX ATTORNEY'S REPORT

Mr. Mendoza was not present but Mr. Roach advised that a copy of the Delinquent Tax Attorney's Report had been provided to the Board and noted that no action was required to be taken by the Board.

## FINANCIAL ADVISOR'S TAX RATE RECOMMENDATION FOR 2020

This item to be deferred at this time.

## 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. Additionally, he presented and reviewed a draft budget for fiscal year end ("FYE") 2021. After no questions, Director Simon made a motion, seconded by Director Puder to approve the Bookkeeper's Report, including payment of invoices and checks presented. The motion passed unanimously.

## UPDATE ON ELECTRICITY CONTRACT

Mr. Roach explained that the Board already entered into the new interim electricity contract and had provided Acclaim Energy Advisors ("Acclaim") the authorization through December 2020 to lock in the lower rate as part of the proposed aggregation pool. He then noted that once the rate has been locked in, Acclaim will follow up with the Board regarding any additional required actions.

## UPDATE ON PROPOSED WATER DISTRIBUTION/COMMUNITY OUTREACH OPTIONS

Mr. Arrant mentioned that he had collected quite a few masks and other supplies to provide to Ashcreek residents during the proposed upcoming District-sponsored mask giveaway. After some discussion, the Board concurred to hold the event on August 22, 2020 from 5:00 p.m. to 7:00 p.m., and Director Felton and Mr. Arrant agreed to continue to coordinate the event. Director Miller noted that he will be hosting a voters registration event at his home on August 22, 2020 between 5:30 p.m. and 8:00 p.m.

## GENERAL MANAGER'S REPORT

Mr. Arrant noted there was no new activity to present and no action to be taken by the Board.

## 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 an ongoing project by Harris County on Hollister Road on the south side of Beltway 8 and noted that, in coordinating with the County, MOC discovered a 12" water valve that is inoperable and needs to be repaired. He mentioned that the repair will affect the commercial businesses in the area but that MOC intends to perform the work after hours in order to cause as little interference with the businesses as possible. Next, Mr. Arrant discussed the work being performed on Greens Bayou in conjunction with the U.S. Army Corps of Engineers ("USACOE"), noting they have been cleaning out and improving the ditch as well as removing and replacing outfall lines draining certain District property at no cost to the District. He also noted that MOC recently discovered a sanitary sewer line inside the wastewater treatment plant fence that is in poor condition and needs to be replaced. Mr. Arrant then noted that he will provide a cost estimate to be presented to the Board next month.

Next, Director Miller note that the security cameras for the District's central plant facilities and the Administration/Activities Building are not working. Mr. Jeremy Roach mentioned that the cameras at the wastewater treatment plant are working and he would get with Director Miller to ensure he has the correct login information. He then noted that the Administration/Activities Building has been experiencing internet issues and that he has contacted Comcast to look into the matter. Next, Mr. Jeremy Roach reported that the new Comcast services had been installed at the water plant and that all monitors are working properly. Next, an extensive discussion by the Board occurred regarding the security of the Administration/Activities Building during the ongoing improvement/expansion project, and Mr. Roach mentioned that site security for equipment and materials should be provided by the project contractor.

Next, Mr. Cain asked about the status of repainting the fire hydrants. Mr. Arrant confirmed the work is almost complete and noted that his review of District records indicated the last time the fire hydrants were painted was in 2013 and, therefore, any warranty that may have been provided at that would be outdated.

After review, Director Puder made a motion to authorize uncollectible accounts to be removed from the District's current utility account collection roles. Director Cain seconded the motion, which passed unanimously. Next, Director Cain asked about redacting personal information from future reports involving delinquent account information, and the Board concurred that consultants should redact personal information from any delinquency related reports, or otherwise provide those reports confidentially to the Board. Next, Director Puder asked if the voluntary fee statement previously discussed by the Board had been addressed, and Mr. Arrant confirmed that a brief statement had been included in the most recent water bill. After no further

questions, Director Cain then made a motion, seconded by Director Simon, to approve the Operator's Report, which passed unanimously.

### **ADMINISTRATION/ACTIVITIES BUILDING ("Building") UPGRADE PROJECT**

Mr. Turner addressed the Board regarding the issue noted earlier in the meeting about security at the Building during the upgrade project and noted that he had reminded the contractor that all doors are to be locked and the alarm set at the end of each project construction day. He then proceeded to update the Board on the status of the Building upgrade project, noting they are making good progress, the demolition of the two residential homes was complete, and the project is currently on schedule. Next, the Board discussed options for food, inventory and equipment at the Building and how to properly dispose of certain items during the project. The Board concurred to dispose of the perishable food items in the refrigerator but to relocate the food items in the existing freezer, as appropriate. Next, the Board discussed the temporary relocation of the pantry items, the refrigerator and freezer equipment, and the kitchen appliances that will be replaced as part of the project. The Board concurred to hold a special meeting on August 18, 2020 to discuss the options for the potential surplus property.

Director Miller temporarily exited the meeting.

### **ENGINEER'S REPORT**

Mr. Handal presented and reviewed the Engineer's Report, a copy of which is attached hereto as **Exhibit D**. He also reported on his conversation with Bammel North Houston Business Park ("BNHBP"), noting that they do not have plans to construct a trail around the onsite detention pond but that Harris County Precinct 4 ("HCP4") may be considering installing some trails in the area. After some discussion regarding partnering with HCP4 regarding the trail options, Director Cain made a motion, seconded by Director Felton to approve the Engineer's Report, which passed four-to-zero (4-0), with Director Miller absent from the vote.

### **IT CONSULTANT REPORT**

Mr. Jeremy Roach presented the IT Consultant Report and noted he would like to discuss the security camera tie-ins for the new Building project at the special meeting on August 18, 2020. Next, Director Felton noted that the drone would need to be secured and Mr. Jeremy Roach confirmed he would locate it and secure it during the construction phase of the project. Next, there was discussion regarding Comcast, and Mr. Turner confirmed he is meeting with Comcast and would let Mr. Jeremy Roach know when the meeting would occur. Next, Mr. Jonathan Roach discussed the SB2 compliance, noting he will follow up with Tax Tech and Apollo regarding compliance and posting requirements for the District's tax, financial, and related information on the District's website. After no further questions, Director Puder made a motion, seconded by Director Simon to approve the IT Consultant Report. The motion passed unanimously.

Director Miller returned to the meeting during the IT report, and Director Puder exited the meeting at this time.

### **STATUS OF ANNUAL ARBITRAGE REPORTING**

Mr. Roach advised the Board that RMPLLC is continuing to follow up on the status of the likely final arbitration report after defeasance of all prior remaining District bond debt.

### **ATTORNEY'S REPORT**

Mr. Roach mentioned that he had not sent the Board any significant COVID-19 information since the last meeting and has credited the District for any billing previously related to COVID-19 correspondence. Next, Mr. Roach noted that he is awaiting a response from the Attorney General regarding copies of Foley & Lardner LLP's legal invoices.

### **2020 DIRECTORS ELECTION**

Mr. Roach then discussed the 2020 Directors Election, including the contract for election services with the updated costs provided by Harris County, and he presented the new Order of Calling Directors Election, a copy of which is attached as **Exhibit "E"**. After discussion, Director Felton moved to: (1) authorize a joint election with Harris County, subject to the appropriate agreements from Harris County being acceptable; (2) designate RMPLLC as the District's election agent in conjunction with Harris County's coordination of the necessary election details; (3) approve the County's estimated portion of the election cost at \$1,895.12, and paying the 10% deposit to the County equal to \$1,137.07; and (4) adopt the Order Calling Directors Election for November 3, 2020. The motion was seconded by Director Simon, which passed four-to-zero (4-0), with Director Puder absent from the vote.

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

The remaining four (4) Board members, with the exception of Director Puder, entered into executive session at 8:13 p.m. for consultation with their attorney.

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

The Board and legal counsel reconvened in open session at 8:23 p.m. There was no action taken from executive session.

### **DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS**

The Board concurred that the next regular meeting will be held via telephone/video-conference at 7:00pm on September 1, 2020.

## ADJOURNMENT

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

Passed and approved this 1<sup>st</sup> day of September, 2020.

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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
- Exhibit E - Order Calling Director's Election