

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 230

September 6, 2019

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 230 (the "District") met in regular session, open to the public, on the 6th day of September, 2019, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Gary J. Simpson	President
Paul Raschke	Vice President
Kathryn Wright	Secretary
Karla Y. Velasquez	Assistant Vice President
Luke Grainge	Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were: Kathleen Talbot, a resident of the District; Julie Williams of Rathmann & Associates, L.P.; Jonathan Hill and Kris Divin of Sprint Waste; Treacy Ware of OffCinco; John Miner of Greenwood Properties, Inc.; Jack Carter of Dannenbaum Engineering; Merrie Talley of Talley Landscape Architects Inc.; Stephanie Viator of District Data Services, Inc.; Stephen and James Woodring of Regional Water Corporation ("RWC"); Rhonda Patterson of Assessments of the Southwest, Inc. ("ASW"); and Angie Lutz and Veronica Seguin of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

No public comments were received by the Board.

BUTTERFLY GARDEN GIRL SCOUT PROJECT

Ms. Talbot presented and reviewed a Girl Scout Gold Award Project Proposal from Kristi Shelton, a District resident, for construction of a butterfly garden in Mandolin Village Park. A copy of the proposal is attached. Ms. Talbot and Ms. Talley discussed the construction and maintenance specifications of the butterfly garden. Ms. Lutz stated any minor participating in the construction of the garden will need to sign a liability waiver from the District. After review and discussion, Director Raschke moved to authorize Kristi Shelton to proceed with the construction of a butterfly garden in Mandolin Village Park, subject to receipt of a liability waiver from any minor participating in the project and approval of all materials and construction plans by the

District's landscape architect. Director Velasquez seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Viator presented the bookkeeper's report, including the checks presented for payment, a year-to-date budget comparison, and investment report. After review and discussion, Director Grainge moved to approve the presented bookkeeper's report, including the checks presented for payment. Director Wright seconded the motion, which carried unanimously.

SECURITY MATTERS

Director Grainge reported on security matters in the District.

DISTRICT WEBSITE MATTERS

Ms. Ware gave a presentation to the Board on the District's website, www.hcmud230.org. Discussion ensued regarding additional changes and updates to the District's website.

2019 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Williams presented and reviewed a debt service tax rate analysis recommending the District levy a 2019 debt service tax rate of \$0.33 per \$100 of assessed value. She reviewed projected maintenance and operations revenue for maintenance and operations at various tax rates. A copy of the analysis is attached.

The Board discussed the proposed 2019 tax rate. Ms. Williams discussed the potential future impact of Texas Senate Bill 2 on the District's tax rate.

After review and discussion, Director Raschke moved to authorize the tax assessor/collector to publish notice in the *Houston Chronicle* of a public hearing on October 7, 2019, regarding the Board's adoption of 2019 tax rate of \$0.48 per \$100 of assessed valuation, with \$0.33 allocated to the District's debt service obligations and \$0.15 allocated to maintenance and operations. Director Grainge seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS AND DELINQUENT TAX COLLECTIONS

Ms. Patterson presented and reviewed the District's monthly tax report, including the delinquent tax list, the monthly collateral report, and the checks presented for payment, a copy of which is attached. Following review and discussion, Director

Raschke moved to approve the tax report, including payment of the presented checks. Director Wright seconded the motion, which passed by unanimous vote.

OPERATING MATTERS

The Board reviewed a letter from Sprint Waste regarding a price increase for sludge hauling, a copy of which is attached. Discussion ensued regarding the price increase. Mr. Hill and Mr. Divin left the meeting.

Mr. Stephen Woodring discussed the sludge hauling price increase and noted other sludge haulers offer more competitive prices.

Mr. James Woodring presented and reviewed the monthly operator's report, a copy of which is attached. He discussed with the Board the monthly water production and sewer treatment cost averages and on the District's use of reclaimed water noting the District has saved \$948,086.80 in pumpage fees to date, by using reclaimed water for eligible projects and lake refilling.

Mr. James Woodring reported that the District's water accountability for the monthly reporting period was 93.30%.

Mr. James Woodring presented and recommended ratification of approval of certain repair and maintenance items in the District throughout the month totaling \$23,989.38. He noted a sludge spill which occurred on August 15, 2019, due to a disposable wipes/rags blockage in the clarifier influent pipe. He stated a claim has been filed under the District's pollution liability policy and the appropriate regulatory agencies have been notified of the event.

Mr. Stephen Woodring presented and recommended approval of certain repair and maintenance items in the District throughout the month totaling \$90,600. He noted recommended work to clean-out and refurbish the wastewater treatment plan to address the previously discussed disposable rag blockage. He stated the clean-out will cost approximately \$53,000 and the influent screen refurbishment will cost approximately \$26,000.

Mr. Stephen Woodring reported on inquiry from the property owners of the commercial site located on the corner of Highway 249 and Cypresswood Drive requesting permission to upgrade the District's adjacent lift station fencing, as discussed last month. He then presented and reviewed steel gate and post fencing concept photos, a copy of which is attached to the operator's report. He also noted the current fence could be landscaped around to improve the aesthetics. Ms. Lutz stated a landscape easement would need to be granted by the District to the property owners to install any landscaping around the lift station site.

After review and discussion, Director Raschke moved to (1) approve the operator's report; (2) ratify approval of the repair and maintenance items, as presented; and (3) approve the recommended repair and maintenance items, as presented; and (3) approve a landscape easement between the District and SDI Realty. Director Wright seconded the motion, which passed unanimously.

TERMINATION OF UTILITY SERVICE

Mr. James Woodring presented a list of delinquent customers, and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Grainge moved to authorize termination of delinquent accounts, in accordance with the District's Rate Order, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Velasquez and passed by unanimous vote.

PARKS AND RECREATIONAL FACILITIES

Ms. Talley presented and reviewed the monthly landscape maintenance report, a copy of which is attached, including information on general park conditions, landscape maintenance, and the park facilities. She stated the monthly invoice from Key-Scape maintenance is \$12,883.90.

Ms. Talley stated Sustainable Growth of Texas's monthly invoice totaled \$3,000.

Ms. Talley stated the monthly invoice from Lake Pros is \$1,449.97, including \$743.97 for additional algae treatments.

Discussion ensued regarding the design of Fairlane Village Park, including the uneven ground for potential walking trail development and access points to the potential walking trail.

After review and discussion, and based on the landscape architect's recommendation, Director Wright moved to approve the landscape maintenance report and payment of the monthly maintenance invoices. Director Velasquez seconded the motion, which passed unanimously.

STORMWATER DETENTION POND MAINTENANCE AND REPAIR

There was no discussion on this item.

ENGINEERING MATTERS

Mr. Carter presented and reviewed an engineers' report, a copy of which is attached.

Discussion ensued regarding potential reimbursements due to Chasewood Crossing 3, LLC for certain public utilities constructed in relation to the Chasewood Crossing office project east of Highway 249. Mr. Carter estimated the cost of public utility reimbursement to be \$500,000-\$550,000. Ms. Lutz stated the District will need to engage an appraiser to appraise the fair market value of the public utilities since the contracts for such utilities were not publically bid by the District. Mr. Carter stated he would bring proposals for engagement of an appraiser to the next meeting. Discussion ensued regarding the financing for the potential reimbursement.

ANNEXATION MATTERS

Ms. Lutz updated the Board on the status of the District's 4.9-acre annexation.

MINUTES

The Board considered approving the minutes of the August 5, 2019, regular meeting. After review and discussion, Director Raschke moved to approve the minutes, as presented. Director Wright seconded the motion, which was approved by unanimous vote.

There being no further business to come before the Board, the meeting was adjourned.



Kathryn Wright
Secretary, Board of Directors

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