

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 230

October 7, 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 7th day of October, 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: Jonathan Hill and Zack Divin of Sprint Waste; Martin Bronstein, Maria Ramirez, Ralph Howard, Nathan Kerr, Bryan Tran of BHW Capital; John Miner of Greenwood Properties, Inc.; Jason Schultz 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"); Brian Toldan of McCall Gibson Swedlund Barfoot PLLC; Karen Sears of Storm Water Solutions, LLC ("SWS"); Delia Yanez 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.

SECURITY MATTERS

Director Grainge reported on security matters in the District. He noted Deputy Darlow's recent nomination for Presidential Medal of Valor. A copy of a press release regarding the nomination is attached.

TAX ASSESSMENT AND COLLECTION MATTERS AND DELINQUENT TAX COLLECTIONS

Ms. Yanez 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

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

DISTRICT WEBSITE MATTERS

There was no action on this item.

AUDIT FOR FISCAL YEAR END JUNE 30, 2019

Mr. Toldan presented and reviewed a draft audit report for the fiscal year ended June 30, 2019. Following review and discussion, Director Velasquez moved to approve the audit report for the fiscal year ended June 30, 2019, subject to final review by the Board and the District's consultants. Director Grainge seconded the motion, which carried unanimously.

PUBLIC HEARING REGARDING DISTRICT ADOPTION OF TAX RATE

Director Simpson opened the public hearing regarding the District's tax rate and upon no comment from the public, the Board concurred to close the public hearing.

The Board then considered setting a tax rate for 2019. Ms. Yanez confirmed that the District published notice of intent to levy a total tax rate of \$0.89 per \$100 of assessed valuation. The Board confirmed its intention that the 2019 tax levy include a debt service component for the calendar year ending December 31, 2020, and a maintenance tax component for the fiscal year ending June 30, 2020. After discussion, Director Raschke moved to adopt the Order Levying Taxes for 2019 reflecting a total tax rate of \$0.48 per \$100 of assessed valuation consisting of \$0.33 for debt service and \$0.15 for operation and maintenance. Director Wright seconded the motion, which passed by unanimous vote.

The Board next considered approving the Amendment to Information Form to reflect the District's 2019 tax rate. After discussion, Director Raschke moved to approve an Amendment to the District's Information Form and authorize filing the Information Form with the Texas Commission on Environmental Quality and Harris County. Director Wright seconded the motion, which carried unanimously.

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Ms. Lutz presented and reviewed a Resolution Regarding Annual Review of Investment Policy. After review and discussion, Director Wright moved to adopt the Resolution Regarding Annual Review of Investment Policy and direct it be filed appropriately and retained in the District's official records. Director Grainge seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/ DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Lutz reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She stated the District's bookkeeper has provided an updated list of qualified broker/dealers with whom the District may engage in investment transactions as an exhibit to the Resolution. After review and discussion, Director Wright moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Grainge seconded the motion, which passed by unanimous vote.

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.

Mr. Stephen Woodring discussed the expenses for auto-dialer accounts to serve the District's facilities. He stated the District could consider switching to a cellular auto-dialer accounts to see if there is any cost savings.

Discussion ensued regarding amending the budget for the fiscal year end June 30, 2020, to reflect the anticipated Fairlane Village Park project. The Board discussed amending the budget at next month's meeting.

After review and discussion, Director Wright moved to approve the bookkeeper's report, including the checks presented for payment. Director Grainge seconded the motion, which carried unanimously.

TERMINATION OF SLUDGE HAULING CONTRACT WITH SPRINT WASTE

The Board and Mr. Divin discussed Sprint Waste's increase for sludge hauling. Mr. Divin stated Sprint Waste has reviewed its costs for sludge hauling and proposed a \$440 per load fee. He noted this is a \$52 per load reduction from the price increase proposed at the previous meeting. Mr. Divin stated this price equates to \$0.06875 per gallon and is inclusive of all costs. Mr. Divin and Mr. Hill left the meeting.

Mr. Stephen Woodring noted MagnaFlow is offering a per gallon cost for sludge hauling of \$0.055, inclusive of all costs. The Board then considered a Service Agreement with MagnaFlow for sludge hauling.

After review and discussion, Director Grainge moved to (1) authorize termination of the District's Service Agreement with Sprint Waste and direct ABHR to send a letter notifying Sprint Waste of such termination; (2) approve a Service Agreement with MagnaFlow for sludge hauling services; and (3) direct the termination letter and Service Agreement be filed appropriately and retained in the District's official records. Director Wright seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Bronstien presented and reviewed a presentation on the proposed construction of the Park on Napoli apartment complex within the District. A copy of the presentation is attached. He noted the proposed apartment complex will service 250 units on a 7.4-site within the District and will require the appropriate capacity and service from the District. Mr. Schultz stated the District has the water and sanitary sewer capacity to serve the proposed apartment complex. Discussion ensued regarding the design and location of the apartment complex.

Mr. Bronstien discussed potential on site drainage facilities to serve the apartment complex. Upon an inquiry from Ms. Lutz about anticipated, new Harris County detention and drainage requirements, Ms. Ramirez stated the apartment complex is anticipated to be designed to Harris County's current detention and drainage requirements. She requested the District's engineers fully review this request to ensure the District did not have liability for not requiring design to the upcoming ATLAS 14 County and/or City requirements.

The Board concurred to further consider award of a utility commitment for the apartment complex project at its next meeting and at such time as the District's engineer has fully reviewed and approved the project specifications.

OPERATING MATTERS

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 \$967,425.35 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 91.40%.

Mr. James Woodring presented and recommended ratification of approval of certain repair and maintenance items in the District throughout the month totaling \$3,100.

The Board reviewed a Water and Sewer Cost vs. Revenue Analysis, a copy of which is attached to the operator's report.

Mr. Stephen Woodring reported the District's auditor has noted the current out-of-District service rate billed to the Houston Northwest Baptist Church does not reflect the District's current out-of-District service rate. Mr. Stephen Woodring stated the total revenue loss is \$1,159.36 and the rates being billed to the Houston Northwest Baptist Church has been revised to the current, correct rate.

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. Director Velasquez seconded the motion, which passed unanimously.

TERMINATION OF UTILITY SERVICE

Mr. James Woodring discussed certain issues with mail delivery in northwest Houston and recommended the Board table termination of the District's delinquent water accounts for this month.

Mr. James Woodring presented a water bill adjustment appeal from Chasewood Crossing 2, requesting an adjustment on its September, 2019 water bill due to a mainline break. Mr. James Woodring noted the water used did not go into the sewer and recommended the Board approve adjusting the sewer usage portion of the bill to reflect the August, 2019, sewer usage. After discussion, Director Grainge moved to approve the adjustment to the Chasewood Crossing 2 water bill, as discussed. Director Wright seconded the motion, which passed unanimously.

PARKS AND RECREATIONAL FACILITIES

Mr. Simpson reported on a meeting he attended with Harris County Precinct 4 regarding area park and trail improvements.

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 \$1,297.50, including \$597.50 for additional algae treatments.

Ms. Talley stated the monthly invoice for AAAnimal Control is \$750.00. She recommended withholding payment of the invoice until such time as she received and reviews an itemized invoice for the work performed.

Discussion ensued regarding the parking at and around the Summit Bridge Lane Bridge. After discussion, the Board requested Ms. Talley investigate the possibility of submitting an application to Harris County to designate one side of the bridge as a fire lane to prevent traffic congestion due to parking along the bridge. Mr. Schultz updated the Board on potential plans for additional parking spots on both side east and west sides of the bridge. He stated his office is attempting to contact the pipeline company that holds an easement over a portion of the potential land that may be used for additional parking improvements.

Discussion ensued regarding the design of Fairlane Village Park and possible access points to the proposed walking trail in the Park. The Board reviewed a conceptual design for Fairlane Village Park, a copy of which is attached to the landscape architect's report.

The Board reviewed a Regional Trail Connections Map, a copy of which is attached to the landscape architect's report.

Upon an inquiry from Ms. Lutz, Ms. Talley confirmed the designs for Fairlane Village Park does not alter any detention capacity in the Fairlane Village detention pond and the District owns outright all proposed detention/park improvements.

After review and discussion, and based on the landscape architect's recommendation, Director Raschke moved to (1) approve the landscape maintenance report; and (2) approve payment of the monthly maintenance invoices, with the exception of the AAAnimal Control invoice, until such time as Ms. Talley confirms the work, as noted in an itemized invoice, has been performed. Director Wright seconded the motion, which passed unanimously.

STORMWATER DETENTION POND MAINTENANCE AND REPAIR

Ms. Sears presented and reviewed a stormwater detention maintenance report, a copy of which is attached. She then presented and reviewed a proposal from SWS in the amount of \$41,234.00 to replace 40 feet of the corrugated outfall pipe and concrete side slope at the Chasewood Technology Park detention pond. A copy of the proposal is attached to the stormwater detention maintenance report. After review and discussion, Director Wright moved to approve the proposal from SWS in the amount of \$41,234.00 to replace 40 feet of the corrugated outfall pipe and concrete side slope at the Chasewood Technology Park detention pond and direct it be filed appropriately and retained in the District's official records. Director Velasquez seconded the motion, which passed unanimously.

ENGINEERING MATTERS (CONT.)

Mr. Schultz presented and reviewed an engineer's report, a copy of which is attached, and updated the Board on engineering matters in the District

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. Schultz presented and reviewed a proposal from 4Site Civil Engineering to appraise the proposed utilities in the amount of \$7,500.00.

Mr. Schultz updated the Board on the status of the North Harris County Regional Water Authority's relocation of the District's water plant fence.

Mr. Schultz presented and reviewed a letter to the District from the engineer regarding the North Harris County Regional Water Authority's proposed plans to construct a surface water distribution line to the District's water plant. A copy of which is attached to the engineer's report. Mr. Schultz noted he has no objections to the proposed plans and requested Board approval of a letter of no objection being sent to the North Harris County Regional Water Authority regarding the matter.

Ms. Lutz presented and reviewed (i) a Right of Way and Easement Agreement between the District and the North Harris County Regional Water Authority; and (ii) an Easement between the District and Harris County, for construction of certain water line facilities. Ms. Lutz stated the North Harris County Regional Water Authority is offering \$2,530.00 in consideration of the Right of Way and Easement Agreement. Mr. Schultz stated their office had reviewed and recommended execution of the Easement Agreement.

Discussion ensued regarding the status of the upgrades to the Cypresswood Drive lift station fencing. Ms. Lutz noted the District has conditionally approved an easement to the developer interested in upgrading the lift station fencing. She stated ABHR will draft the easement upon receipt of metes and bounds and an easement exhibit from the engineer.

After review and discussion, Director Grainge moved to (1) approve the engineer's report; (2) approve the proposal from 4Site Civil Engineering to appraise the proposed Chasewood Crossing 3, LLC, utilities in the amount of \$7,500.00; (3) approve the Right of Way and Easement Agreement and Easement, as presented, subject to final review and approval by the District's engineer; and (4) direct the proposal, Agreement and Easement be filed appropriate and retained in the District's official records. Director Raschke seconded the motion, which passed unanimously.

ANNEXATION MATTERS

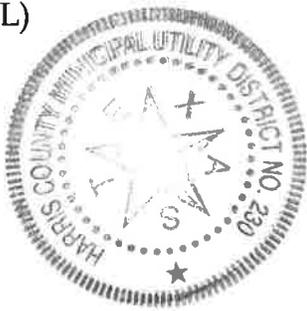
Ms. Lutz updated the Board on the status of the District's 4.9-acre annexation.

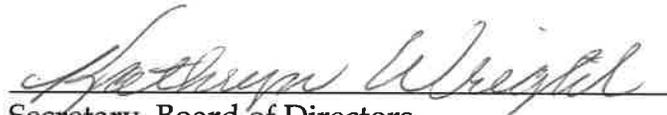
MINUTES

The Board considered approving the minutes of the September 6, 2019, regular meeting. After review and discussion, Director Wright moved to approve the minutes, as presented. Director Grainge seconded the motion, which was approved by unanimous vote.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u>
	<u>Page</u>
Tax report.....	1
Bookkeeper’s report.....	3
Presentation on the proposed construction of the Park on Napoli apartment complex	4
Operator’s report.....	4
Landscape maintenance report.....	5
Regional Trail Connections Map	6
stormwater detention maintenance report.....	6
engineer’s report	7