

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 20

Minutes of Meeting of Board of Directors

February 7, 2017

The Board of Directors of Northwest Harris County Municipal Utility District No. 20 (the "District") met at the board's regular meeting place on February 7, 2017, in accordance with the duly posted notice of said meeting, with a quorum of directors present as follows:

John M. Dougrey, Jr., President
Robert W. Skinner, Vice President
Brian R. Wright, Secretary
Kenneth R. Ross, Assistant Secretary

and being absent:

None

Also present were Tina Kelsey of Myrtle Cruz, Inc., Jeff Sonnheim of Equi-Tax, Inc., Eric Thiry of Environmental Development Partners, L.L.C., Jack Miller, P.E. of R. G. Miller Engineers, Mark W. Brooks of Young & Brooks, and District resident Mia Cordova.

The meeting was called to order and declared open for such business as might come before the board.

APPROVAL OF MINUTES

Upon motion duly made, seconded and unanimously carried, the minutes of the prior meeting of January 3, 2017 were approved as presented.

QUESTIONS/COMMENTS FROM THE PUBLIC

District resident Mia Cordova noted that the Olde Oaks HOA is having their annual meeting tomorrow evening, and she encouraged the board members to attend.

TAX EXEMPTIONS

Jeff Sonnheim of Equi-Tax, Inc., the District's tax assessor, advised the board that it would be appropriate for the District to consider any revisions it wishes to make to the District's tax exemptions for purposes of the 2017 tax year. After discussion, it was the consensus of the board to establish a homestead exemption for residents of the District in the amount of 20% of market value or \$5,000, whichever is greater, and an additional homestead exemption for residents of the District who are disabled or 65 years of age or older, in the amount of \$25,000.00, and to make such exemptions applicable for tax year 2017, and continuing thereafter until rescinded or otherwise modified. Proposed resolutions adopting these tax exemptions were reviewed. Upon motion duly

made, seconded and unanimously carried, the proposed resolutions were passed and adopted, and the board president and secretary were authorized to execute same on behalf of the District. Copies of the resolutions are attached to these minutes.

TAX COLLECTION PENALTY

Mr. Sonnheim also advised the board that it would now be appropriate to continue the authorized implementation of the tax collection penalty, pursuant to Sections 33.07, 33.08, and 33.11 of the Texas Property Tax Code. After discussion, upon motion duly made, seconded and unanimously carried, the board adopted the attached Resolution Authorizing Additional Penalties on Delinquent Taxes. The District's tax assessor/collector was authorized and instructed to issue the necessary notices for implementation of the penalties at the appropriate times.

OPERATOR RATES

Eric Thiry presented a proposed new schedule of rates for operator services which he compared with the current rates and reviewed with the board. The board deferred action pending a review of the District's rate order by Mr. Thiry for any changes that he recommends consistent with his proposed new schedule of operator rates.

RATE ORDER

The board discussed possible changes to the District's water and sewer rate order to make it clear that credit card payments are accepted, but deferred action pending a review by operator Eric Thiry for any additional changes he recommends consistent with his proposed new schedule of operator rates.

CONSULTANTS MONTHLY REPORTS

Jeff Sonnheim of Equi-Tax, Inc., the District's tax assessor, reported as to the status of District tax collections. Mr. Sonnheim reported that the District is 84.6% collected for 2016 taxes. After discussion, upon motion duly made, seconded and unanimously carried, the board approved the tax assessor's monthly report and payment of the tax bills presented.

Tina Kelsey of Myrtle Cruz, Inc., the District's bookkeeper, presented their monthly report. She also presented to the board a list of bills for the approval of payment, a copy of which is attached hereto. After discussion, upon motion duly made, seconded and unanimously carried, the board approved said bills and ordered checks issued on the appropriate District accounts in payment thereof.

Eric Thiry of Environmental Development Partners, L.L.C., the District's operators, presented their monthly report as to District operations and facilities. Mr. Thiry reviewed the report with the board and responded to questions.

Mr. Thiry reported clarifier no. 2 at the wastewater treatment plant has failed, and it is being inspected for a repair quote. After discussion, upon motion duly made, seconded and unanimously carried, the board authorized director Brian Wright to authorize a repair at a cost of up to \$15,000.

Mr. Thiry presented, recommended, and the board unanimously authorized referral of six finaled customer accounts with delinquent balances remaining unpaid for collection.

Mr. Thiry presented requests by the customers at 3218 Blackcastle Dr. and 15418 TC Jester, and by The Enclave at Olde Oaks HOA, for adjustments to their recent billings from the District, which were unusually high due to apparent leaks, but have since returned to normal. After discussion, upon motion duly made, seconded and unanimously carried, the board authorized adjustments on these billings to the base rates for the accounts in question.

Jack Miller, P.E. of R. G. Miller Engineers, the District's engineers, distributed a written summary engineer's report for the meeting reflecting the status of various projects that the engineers are working on for the District. Mr. Miller reviewed his report with the board and responded to questions.

Mr. Miller presented, recommended, and upon motion duly made, seconded and unanimously carried, the board approved Change Order No. 1 to the contract with R&B Group, Inc. for the headworks modifications at the wastewater treatment plant, to add a platform for access to the new equipment at a contract price increase of \$6350, subject to the contractor's compliance with the HB1295 disclosure requirements.

After discussion, the board unanimously authorized R. G. Miller Engineers to begin work on the discharge permit renewal application for the wastewater treatment plant that will be due this summer.

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

Secretary, Board of Directors

Attachments: Resolution on Residence Homestead Exemption
Resolution on Residence Homestead Exemption for Persons Disabled or 65 or Older
Resolution Authorizing Additional Penalties on Delinquent Taxes
Bookkeepers Report