

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 200,
OF HARRIS COUNTY, TEXAS**

Minutes of Special Board of Directors Meeting
January 31, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 200, of Harris County, Texas (the "District") met at a designated meeting place of the Board on January 31, 2024, in accordance with the duly posted Notice of Special Public Meeting and the roll was called of the duly constituted officers and members of said Board, as follows:

James Wright, President
Deanna Brown, Vice-President
Yvonne Smith, Secretary
George Robinson, Assistant Secretary
Tanya Wilson, Assistant Secretary

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

Also present were Justin Abshire and Anna Katherine Parker of Quiddity Engineering, LLC ("Quiddity"); Jared Martin of Municipal Operations & Consulting, Inc. ("MOC"); Tyler Leggett of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Debbie Shelton of Masterson Advisors LLC ("Masterson"); Michael Willett and Justin Waggoner of Touchstone District Services, LLC ("Touchstone"); Mary Wright, a resident of the District; and Gina Free of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared same open for such business as might regularly come before it.

PUBLIC COMMENTS

The Board acknowledged that there were no comments from the public.

APPROVAL OF MINUTES

As the next order of business, the Board considered approving the draft minutes of the Board meeting held on December 19, 2023. After discussion, Director Robinson moved to approve the draft minutes for said meeting, as written. Director Brown seconded said motion, which carried unanimously

HARRIS COUNTY CONSTABLE'S OFFICE ("HCCO") SECURITY REPORT

Ms. Free presented the HCCO Security Report for the month of December 2023, a copy of which is attached hereto as **Exhibit A**. Director Wright then discussed security matters in the District.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Mata presented and reviewed with the Board the Tax Assessor-Collector Report for the month ending December 31, 2023 (the "TAC Report"), including the disbursements presented therein for payment, and the Delinquent Collections Listings as of December 31, 2023, copies of which are attached hereto as **Exhibit B**. After discussion, Director Brown moved that the TAC Report be approved as presented, and the disbursements listed therein be approved for payment. Director Smith seconded the motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS REPORT

Ms. Free then presented to and reviewed with the Board a Delinquent Tax Collections Report, dated January 9, 2024, prepared by Ted A. Cox, P.C., the District's delinquent tax collections attorney, a copy of which report is attached hereto as **Exhibit C**. She noted that no action was required by the Board at this time.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board next considered adoption of a Resolution Concerning Exemptions from Taxation for the 2024 tax year. Ms. Free outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code, as amended. She advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the appraised value of residential homestead improvements for the year 2024 and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the appraised value of such homesteads. After deliberation, upon a motion by Director Brown, seconded by Director Smith and unanimously carried, the Board moved that the District (a) grant a residential homestead exemption of twenty percent (20%) of the appraised value of residential homesteads, provided that no such exemption shall be less than \$5,000, and (b) grant an exemption in the amount of \$5,000 for persons who are under a disability for purposes of payment of disability insurance benefits under Federal Old Age, Survivors, and Disability Insurance or are sixty-five years of age or older during the calendar year 2024, and that the Resolution Concerning Exemptions from Taxation relative to same, attached hereto as **Exhibit D**, be approved and adopted by the Board and District.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Ms. Free advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due

the District on personal property taxes that remain delinquent sixty (60) days after February 1, 2024, as more fully described in said Resolution. After discussion, it was moved by Director Robinson, seconded by Director Smith and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit E**, be adopted by the Board, and that the District's delinquent tax attorney be authorized to collect delinquent personal property taxes beginning April 1, 2024, including the filing of lawsuits, as necessary.

Ms. Mata exited the meeting at this time.

BOOKKEEPER'S REPORT & QUARTERLY INVESTMENT INVENTORY REPORT

Mr. Leggett presented to and reviewed with the Board the Bookkeeper's Report dated January 31, 2024, a copy of which is attached hereto as **Exhibit F**, including the disbursements presented for payment therein. Mr. Leggett next presented the Quarterly Investment Inventory Report for the investment period ended November 30, 2023. After discussion, Director Smith moved that: (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment, and (ii) the Quarterly Investment Inventory Report for the investment period ended November 30, 2023 be approved, as presented, and the District's Investment Officers be authorized to execute same on behalf of the Board and the District. Director Brown seconded said motion, which unanimously carried.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board then considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Free presented and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted to the list previously adopted by the Board, copies of which are attached hereto as **Exhibit G**. Ms. Free further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officers, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Smith moved that the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved, and the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Brown seconded said motion, which unanimously carried.

OPERATIONS AND MAINTENANCE REPORT

Mr. Martin presented to and reviewed with the Board the Operations and Maintenance Report for the month of December 2023, a copy of which is attached hereto as **Exhibit H**.

Mr. Martin next presented to and reviewed with the Board a Customer Write-Off Report, a copy of which is attached to the Operations and Maintenance Report. In connection therewith, he recommended that the Board consider authorizing MOC to move the four (4) delinquent

accounts reflected on the Report to the uncollectible roll, since all collection efforts to date have been unsuccessful. Mr. Martin advised that the total amount owed on said delinquent accounts is \$928.60.

Following discussion, Director Brown moved that: (i) MOC be authorized to move four (4) delinquent accounts totaling \$928.60, to the uncollectible roll, as recommended by MOC, (ii) MOC be authorized to terminate delinquent accounts in accordance with the District's Rate Order, and (iii) MOC be authorized to provide required information to districts receiving water from the District relative to Consumer Confidence Reports. Director Smith seconded said motion, which unanimously carried.

ENGINEERING REPORT

Mr. Abshire presented to and reviewed with the Board a written Engineering Report dated January 29, 2024, a copy of which report is attached hereto as **Exhibit I**, relative to the status of various engineering and construction projects within the District.

ANNUAL WATER LOSS AUDIT

Mr. Martin reported on the status of MOC's preparation of the 2023 water loss audit.

ISSUANCE OF UTILITY COMMITMENTS

The Board noted that utility commitments were considered under the Engineering Report.

STATUS OF ACTIVITIES OF THE CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Ms. Free presented to and reviewed with the Board a memorandum received from the Authority regarding the 2024 election process for Directors of the Authority, and advised if the Board so desired, it could nominate a candidate for the At-Large position for the Authority's Board of Directors upcoming Directors Election. Discussion ensued regarding same. Following discussion, Director Smith moved that (i) the Board nominate Mr. Julian F. Boddy as a candidate for the Directors Election to the At-Large position, and (ii) the Resolution Nominating a Candidate, a copy of which is attached hereto as **Exhibit J**, be adopted by the Board. Director Brown seconded said motion, which unanimously carried.

COMMUNICATIONS REPORT

Mr. Willett discussed ongoing website and text-related communication matters. Mr. Willett advised that Touchstone could continue to provide monthly website services to the District at a rate of \$200 per month and text messaging services at a rate of \$180 per month. The Board then discussed website content and the cost for same. Following discussion, the Board concurred that the communications committee consisting of Directors Robinson and Brown shall continue to approve communications, subject to SPH review. The Board instructed SPH to advise the Board of communications to be sent to customers prior to sending.

Following discussion, Director Robinson moved to authorize Touchstone to maintain the District's website at a monthly rate of \$200, and text communications at an additional monthly rate of \$180. Director Brown seconded said motion, which unanimously carried.

ANNUAL MAINTENANCE FOR ARBITRAGE ANALYSIS REPORT

The Board deferred review of the Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, L.L.C., until its next meeting.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Ms. Free advised that she had nothing further of a legal nature to discuss with the Board at this time.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Ms. Free reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Ms. Free presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit K**. Ms. Free advised that Harris County will not offer joint election services to political subdivisions for the May 4, 2024 election, and therefore, the District will have to hold an independent election. She further discussed the challenges of administrating an independent election.

ACCESSIBLE VOTING SYSTEM

Ms. Free noted that Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Ms. Free reported that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Brown, seconded by Director Smith and unanimously carried that SPH be authorized to provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Ms. Free presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit L** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Smith and Wilson expire in May of this year. In reviewing the Order with the Board, Ms. Free advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Jenny Johnson as such agent (the "Election Agent"). Ms. Free further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Ms. Free advised the Board

that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. She further advised that, in addition to the above, notice must be posted on the District's website at least twenty-one (21) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each election precinct that overlaps the District and on the District's website. After discussion on the matter, Director Brown moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Smith seconded said motion, which unanimously carried. Ms. Free advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

The Board considered the establishment of fees to be paid to officials for the Election. Ms. Free advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Brown moved that the judges and clerks for the Election, including early voting clerks, be paid \$10.00 per hour. Director Smith seconded said motion, which unanimously carried.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Ms. Free reminded the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in a Special Purpose District Public Information Database. Following discussion, Director Robinson moved, Director Brown seconded and it was unanimously carried that FORVIS, LLP, the District's auditor, be authorized to prepare the required information and submit same to the Comptroller for inclusion in its Special Purpose District Public Information Database.

EXECUTIVE SESSION

Ms. Free advised that it would not be necessary for the Board to convene in executive session at this time.

FUTURE AGENDAS

The Board did not request any items be placed on future agendas other than those already discussed and regular and on-going items.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Smith, and seconded by Director Brown, the Board unanimously voted to adjourn the meeting.

(SEAL)



Yvonne Smith
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – HCCO Report
- Exhibit B – Tax Assessor/Collector's Report as of December 31, 2023;
Delinquent Collections Listings as of December 31, 2023
- Exhibit C – Delinquent Tax Collections Report
- Exhibit D – Resolution Concerning Exemptions from Taxation
- Exhibit E – Resolution Authorizing an Additional Penalty on Delinquent Personal Property
Taxes
- Exhibit F – Bookkeeper's Report
- Exhibit G – Resolution Adopting List of Qualified Brokers Authorized to Engage in
Investment Transactions with the District; Comparison List
- Exhibit H – Operations and Maintenance Report
- Exhibit I – Engineering Report
- Exhibit J – Resolution of the Board of Directors Nominating a Candidate For a Position on
the Board of Directors of the Central Harris County Regional Water Authority
- Exhibit K – Memorandum from SPH regarding Independent Elections
- Exhibit L – Order Calling Directors Election