

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 222

August 15, 2019

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 222 (the "District") met in regular session, open to the public, on the 15th day of August, 2019, at the offices of IDS Engineering Group, 13430 Northwest Freeway, Suite 700, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Teague G. Harris	President
Charles D. "Dale" Kelley	Vice President/Investment Officer
Ronald Chapman	Secretary/Treasurer/Investment Officer
Michael Patrick	Asst. Vice President / Asst. Secretary
Chris Gallagher	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Marie Trascher, security coordinator and a resident of the District; Ben Terry of Masterson Advisors LLC ("Masterson"); Shannon Waugh of Off Cinco; Avik Bonnerjee of B&A Municipal Tax Service LLC ("B&A"); Kyle Franklin of I.M.S. Landscape Services, Inc. ("I.M.S."); Mike Williams of Municipal Operations & Consulting ("MOC"); Alex Flores of Tax Tech, Inc. ("Tax Tech"); Wendy Austin of District Data Services, Inc. ("District Data"); David Tinney of LJA Engineering, Inc. ("LJA"); and Greer Pagan and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the July `8, 2019, regular meeting. After review and discussion, Director Kelley moved to approve the minutes of the July 18, 2019, regular meeting. Director Gallagher seconded the motion, which carried by unanimous vote.

INPUT/INQUIRIES FROM DISTRICT CUSTOMERS

No customers were present who wished to address the Board.

UPDATE ON CALDWELL DEVELOPMENT PROJECT IN THE DISTRICT

The Board discussed future reimbursements to Caldwell Companies for the Cypress Crossing development project. Following discussion, the Board concurred to request an estimate of value in a few months.

REVIEW SALES TAX TRACKING REPORT

Mr. Bonnerjee distributed and reviewed with the Board a Sales Tax Permit Audit, a copy of which is attached. He recommended that the District conduct Sales Tax Permit Audits in March and November 2020 due to all of the development in the District. Following discussion, Director Patrick moved to (1) approve the Sales Tax Permit Audit; and (2) authorize B&A to conduct a Sales Tax Permit Audit two times in 2020. Director Kelley seconded the motion, which passed unanimously.

WEBSITE MATTERS, INCLUDING CONSIDER PROPOSAL FROM OFF CINCO FOR WEBSITE DESIGN AND MAINTENANCE

Ms. Waugh presented a proposal for website design, hosting, maintenance, and additional services, including email and text alerts, a copy of which is attached, and responded to Board members' questions. Discussion ensued regarding the different types of available website services. Following review and discussion, Director Gallagher moved to (1) authorize Off Cinco to prepare a website design with a fixed layout at a cost of \$1,500; (2) approve monthly hosting and maintenance at a cost of \$250 each month; and (3) authorize a domain based email account at a cost of \$10 each month. Director Kelley seconded the motion, which passed unanimously. The Board concurred to defer action on adding email and text alerts and authorized Director Patrick to research and coordinate with Off Cinco on this matter.

LANDSCAPING AND IMPROVEMENTS TO DISTRICT PROPERTY AND RECREATIONAL FACILITIES

Mr. Franklin presented and reviewed the landscape report, a copy of which is attached.

Mr. Franklin presented and reviewed a proposal for pruning the wax myrtle hedge along the fence line of the Harris County Fresh Water Supply District No. 61 ("HCFW61") wastewater treatment plant in the amount of \$5,510. Discussion ensued regarding having I.M.S. prune the hedges more often. Following discussion, the Board requested that I.M.S. check and manage the hedges monthly.

Mr. Franklin presented and reviewed a proposal for removing 20 hackberry elm and Chinese tallow trees from the fence line, as discussed, in the amount of \$4,955.

Mr. Franklin discussed the erosion problem near the east side of the lake near White Oak Bayou bridge. He presented and reviewed a proposal for repair of the erosion on the southeast slope of the lake, as discussed, in the amount of \$14,172.

Following review and discussion, Director Patrick moved to (1) approve the landscape report; (2) authorize I.M.S. to prune the wax myrtle hedge along the fence line of the HCFW61 wastewater treatment plant at a cost of \$5,510; (3) authorize I.M.S. to remove the 20 hackberry elm and Chinese tallow trees from the fence line, as discussed, at a cost of \$4,955;

and (4) authorize I.M.S. to repair the erosion, as discussed, at a cost of \$14,172. Director Kelley seconded the motion, which passed unanimously.

DISTRICT SECURITY

Ms. Trascher discussed security matters in the District including several burglaries that occurred at Point Blank Gun Range and an incident at a home on Wortham Boulevard that is being used as a nursing home. Discussion ensued.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Mr. Flores presented and reviewed the tax assessor/collector's report, delinquent tax report, and checks presented for payment from the tax account. He informed the Board of three litigation checks that were recently received. Mr. Flores reported that the District's certified value for 2019 is \$369,308,860. Following review and discussion, Director Patrick moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Chapman seconded the motion, which passed by unanimous vote. A copy of the tax assessor/collector's report is attached.

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

Mr. Terry distributed and reviewed a 2019 Tax Rate Analysis, a copy of which is attached. He recommended that the Board levy a tax rate of \$0.065 for debt service. Following review and discussion, Director Patrick moved to authorize notice of a public hearing to consider a total tax rate of \$0.315, including \$0.065 for debt service and \$0.25 for maintenance and operations. Director Gallagher seconded the motion, which carried by unanimous vote. The Board concurred to hold a public hearing on adoption of the District's proposed tax rate of \$0.315 on September 19, 2019, at 11:30 a.m. at the District's regular meeting place and authorize the tax assessor/collector to publish notice of the hearing as required by law.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached, and presented the District's bills for payment. Following review and discussion, Director Patrick moved to approve the bookkeeper's report and payment of the District's bills. Director Gallagher seconded the motion, which passed by unanimous vote.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2020

Ms. Austin presented the proposed budget for the fiscal year ending September 30, 2020, a copy of which is attached. Discussion ensued. Following review and discussion, the Board concurred to defer action on the proposed budget until the next Board meeting.

OPERATOR'S REPORT

Mr. Williams presented and reviewed the operator's report, a copy of which is attached, and summarized maintenance work performed in the District. He stated that last month's water accountability was 93%.

Following review and discussion, Director Patrick moved to approve the operator's report. Director Kelley seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER SERVICE

Mr. Williams 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 Patrick 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. Director Kelley seconded the motion, which passed by unanimous vote.

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Director Harris presented and reviewed proposed changes to the Drought Contingency Plan. Following discussion, the Board concurred to have ABHR revise the Drought Contingency Plan to reflect such changes for consideration at the next Board meeting.

ENGINEER'S REPORT

Mr. Tinney presented and reviewed the engineer's report, a copy of which is attached, and updated the Board on construction projects in the District.

The Board discussed the possible location for the Northwest Harris County Municipal Utility District No. 29 interconnect meter if it becomes necessary. He informed the Board that the cost will be approximately \$50,000. Discussion ensued.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Chapman updated the Board on the summary of topics discussed at the NHCRWA meeting.

There being no further business to come before them, the Board concurred to adjourn the meeting.

(SEAL)

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

Sales Tax Permit Audit.....2
Website proposal2
Landscape report2
Tax assessor/collector’s report3
Tax Rate Analysis.....3
Bookkeeper’s report.....3
Proposed budget for the fiscal year ending September 30, 20203
Operator’s report4
Engineer’s report.....4