

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304
Minutes of the Meeting of Board of Directors
June 20, 2019

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 304 (the "District") met in regular session, at 12525 Wellington Parkway, Houston, Harris County, Texas, said address being a meeting place of the District, on June 20, 2019, in accordance with the duly posted Amended Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Jonathan Ward, President/General Manager - Finance & Administration
Leonard Cummings, Jr., Vice President/General Manager - Operations
Elvis Anderson, Assistant Secretary
Ann-Toinette Johnson Preston, Director
Debra Williams, Director

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

Also present were Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC ("MGSB"); Cynthia Colondres of Municipal Accounts & Consulting, L.P. ("MA&C"); Jared Bowlin of Edminster, Hinshaw, Russ and Associates, Inc. ("EHRA"); Danny Blatt of JePa Services, Inc. ("JePa"); Erick Steinman of KGA DeForest Design, LLC ("KGA"); Chris Forrest of Charter Development Partners, Inc. ("DS Silverglen"); Diana Miller of Schwartz, Page & Harding, L.L.P. ("SPH"); and various District residents. Yvonne Luevano of Wheeler & Associates, Inc. ("Wheeler") would later enter the meeting after it had been called to order.

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

PUBLIC COMMENTS

No comments from the public were offered.

APPROVAL OF MINUTES

The Board considered the approval of the draft minutes of its meeting held on May 16, 2019. Upon motion by Director Cummings, seconded by Director Preston and unanimously carried, said minutes were approved as written.

DEVELOPERS' REPORTS

Mr. Forest reported on the status of development in Silverglen North, Section 15 and responded to questions from the Board.

DEVELOPER REIMBURSEMENT AUDIT

The Board next considered an audit of costs incurred by DS Silverglen to be reimbursed by the District, associated with the construction of water, sanitary sewer, and drainage improvements to serve Silverglen North, Section 14. In that regard, Mr. Jenkins presented to and reviewed with the Board a draft developer reimbursement audit report, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Cummings moved that (i) the draft reimbursement audit report be approved, (ii) payment to DS Silverglen be authorized, as reflected in said audit, and (iii) the President be authorized to execute a receipt evidencing said

payment. Director Williams seconded said motion, which carried unanimously. A copy of the fully executed receipt is attached hereto as **Exhibit B**.

SURPLUS FUNDS APPLICATION TO TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (THE "TCEQ")

In connection with the preparation of the application to TCEQ for approval of projects and related developer reimbursement to DS Silverglen for the water, sanitary sewer, and drainage facilities serving Silverglen North, Section 15 (the "Section 15 Application"), Mr. Bowlin reported that EHRA has received necessary information from DS Silverglen and is progressing towards completion of the Section 15 Application.

TAX ASSESSOR COLLECTOR REPORT

Ms. Luevano next presented to and reviewed with the Board the Tax Assessor Collector Monthly Report and the Delinquent Collections Listing for May 2019, a copy of which is attached hereto as **Exhibit C**. After discussion, Director Anderson moved that the Tax Assessor Collector Monthly Report be approved and that the disbursements shown therein be authorized for payment. The motion was seconded by Director Preston and unanimously carried.

DELINQUENT TAX COLLECTIONS REPORT

Ms. Miller presented to and reviewed with the Board the Delinquent Tax Report dated June 12, 2019, prepared by Ted A. Cox, P.C. ("Cox"), the District's delinquent tax collections attorneys, a copy of which report is attached hereto as **Exhibit D**. No action was required of the Board or taken by the Board in connection therewith.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated June 20, 2019, a copy of which is attached hereto as **Exhibit E**. Ms. Colondres presented the cash flow report, fund balance report, pledged securities report, profit and loss statement, and a comparison of budgeted versus actual income and expenditures, and reviewed same with the Board. After discussion, it was moved by Director Cummings, seconded by Director Anderson and unanimously carried, that the Bookkeeper's Report be approved, payment be authorized on the disbursements listed therein.

WELLINGTON PARK AND ADMINISTRATIVE BUILDING

Director Cummings discussed the rental of the Administration Building, and the use of the park and the new walking trails. Director Cummings then requested the Board consider a one-time contribution of \$31,000 to Silverglen West Homeowner's Association (the "SGNW HOA") for its fence project. After discussion, Director Anderson moved to approve a one-time contribution of \$31,000 to the SGNW HOA, subject to the completion of the fence. Director Preston seconded said motion, which unanimously carried.

A discussion ensued regarding the security officer's summer patrol schedules.

LANDSCAPE ARCHITECT REPORT

Mr. Steinman presented to and reviewed with the Board the Landscape Architect Report dated June 20, 2019, a copy of which is attached hereto as **Exhibit F**. In addition to the matters identified in the report, Mr. Steinman reported that KGA investigating the standing water issues

for portions of the trails located near the detention ponds and will request the contractor replace the landscaping located at the main entrance to the trails.

SILVERGLEN NORTH HOMEOWNER'S ASSOCIATION PARK PROJECT

The Board then considered the status of the proposed park developments in the District. Director Cummings requested that SPH assist in obtaining additional proposals for the park project. No action was taken by the Board at this time.

ENGINEERING REPORT

Mr. Bowlin presented to and reviewed with the Board an Engineering Report dated June 20, 2019, a copy of which is attached hereto as **Exhibit G**.

Mr. Bowlin requested the Board: (i) execute the construction contract with W.W. Peyton Corporation ("Peyton"), and (ii) approve payment of Pay Estimate No. 1 to Shier Construction Company, Inc. ("Shier") in the amount of \$53,280 for work completed on the Water Plant fourth booster pump; a copy of which pay estimate is attached to the Engineering Report. After discussion, it was moved by Director Preston, seconded by Director Anderson and unanimously carried, that the Engineer's Report and the action items listed therein be approved, including the approval or concurrence, as applicable, of all pay estimates, contract quantity adjustments and change orders as may be listed therein (including the acceptance of any Texas Ethics Commission Form(s) 1295 required in connection therewith).

ISSUANCE OF UTILITY COMMITMENTS

Mr. Bowlin next presented to and reviewed with the Board a utility commitment request from ALJ Lindsey, LLC ("ALJ"), the engineer's for the Fallbrook Baptist Church for the proposed construction of the Lone Star Education Building on a 0.0198 acre tract, a copy of which request is attached to the Engineering Report. Mr. Bowlin suggested the Board defer the matter until EHRA has received more information from ALJ. Mr. Bowlin noted that the District will not have the available capacity until the District is receiving surface water.

UPDATE OF CRITICAL LOAD STATUS INFORMATION

Ms. Miller advised that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (b) immediately upon any change in the information to the above entities, as well as to the office of emergency management of Harris County, the Public Utility Commission of Texas, and the division of emergency management of the governor. Following discussion, Director Anderson moved to authorize JePa and/or EHRA to make such submissions on behalf of the District, as and if necessary. The motion was seconded by Director Preston and carried by unanimous vote.

MODULAR SEWAGE TREATMENT UNIT PILOT TESTING

Mr. Blatt reported that Active Water Solutions, LLC ("AWS") has begun testing the pilot system at the District's Waste Water Treatment Plant ("WWTP") site last month. He noted that JePa will continue to monitor the progress of AWS and the modular sewage treatment unit pilot test.

OPERATIONS REPORT

Mr. Blatt next presented to and reviewed with the Board the Operations Report for May 2019, a copy of which is attached hereto as **Exhibit H**.

Mr. Blatt then presented to and reviewed with the Board a WWTP Analysis Report, a copy of which is attached to the Operations Report, which details the tub seal and clarifier cleaning and repairs. Mr. Blatt advised the Board that the clarifier drive will need to be replaced and noted that JePa has collected three proposals for the replacement of same. Mr. Blatt discussed with the Board the need to replace the drive quickly as the plant will be inoperable during the repair. After discussion, Director Anderson moved to authorize Director Cummings to select a vendor based on cost and time to complete the repairs. Director Preston seconded said motion, which unanimously carried.

Mr. Blatt presented to and reviewed with the Board the Cut-Off Listing (the "Listing") prepared by JePa and noted that the delinquent accounts identified in the Report will be terminated if payment is not timely received, per the District's Rate Order. A copy of the Listing is attached to the Operations and Maintenance Report. After discussion, it was moved by Director Anderson, seconded by Director Preston and unanimously carried, that the Board authorize JePa to terminate all delinquent accounts whose payment was not timely received, as per the District's Rate Order.

ENGAGEMENT OF BEST TRASH FOR SOLID WASTE AND RECYCLING COLLECTION SERVICES AND AMEND RATE ORDER

Director Cummings reported that the engagement of Best Trash, LLC ("Best Trash") and the consolidation of the solid waste recycling collection services, currently managed by the Silverglen North Homeowners Association and the SGNW HOA, is not yet ready for approval and will be presented to the Board at its next Board meeting. The Board then deferred consideration of amending the District's Rate Oder, relative to the addition of Best Trash's solid waste recycling collection service fees, until the engagement of Best Trash has been approved.

VOTING SYSTEM ANNUAL FILING FORM

The Board considered approval of a Voting System Annual Filing Form from the Secretary of State's office. Ms. Miller advised that, pursuant to the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said form with the Secretary of State's office. After discussion on the matter, Director Preston moved that the form be approved and that SPH be authorized to file same with the Secretary of State's Office, as required by law. Director Cummings seconded said motion, which unanimously carried.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071

The President then announced at 6:28 p.m. that the Board would convene in Closed Session, as authorized pursuant to Texas Government Code Section 551.071 to consult with the District's attorney.

At 6:43 p.m., the Board reconvened in open session.

ATTORNEY'S REPORT

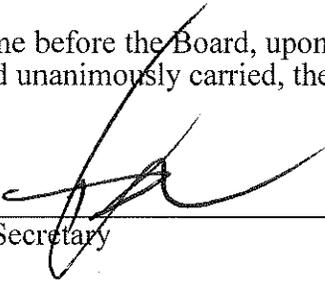
The Board then considered the Attorney's Report. In connection therewith, Ms. Miller advised the Board that she had nothing additional to discuss with the Board of a legal nature which was not covered under specific agenda items.

FUTURE MEETINGS AND AGENDA MATTERS

The Board considered items for placement on future agendas. No specific agenda items, other than routine and ongoing matters were requested to be placed on a future agenda.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Anderson, seconded by Director Williams and unanimously carried, the meeting was adjourned.



Secretary



LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Draft Reimbursement Audit and Costs Reimbursable To Developer
- Exhibit B Developer's Receipt
- Exhibit C Tax Assessor-Collector Report and Uncollectible Accounts List
- Exhibit D Delinquent Tax Collections Report
- Exhibit E Bookkeeper's Report
- Exhibit F Landscape Architect Report
- Exhibit G Engineering Report
- Exhibit H Operations Report