

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304
Minutes of the Special Meeting of Board of Directors
September 24, 2019

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 304 (the "District") met in special session at 12525 Wellington Parkway, Houston, Harris County, Texas, said address being a meeting place of the District, on September 24, 2019, in accordance with the duly posted 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 Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Jared Bowlin of Edminster, Hinshaw, Russ and Associates, Inc. ("EHRA"); Jennifer Bradley of JePa Services, Inc. ("JePa"); 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") entered the meeting after it had been called to order, as noted herein.

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

PUBLIC COMMENTS

The Board then received comments from the public on various District matters, as reflected in the public comment forms attached hereto as **Exhibit "A"**.

Ms. Luevano entered the meeting during the Public Comments discussion.

RESOLUTION ADOPTING PUBLIC COMMENT POLICIES AND PROCEDURES

Ms. Miller advised the Board that Section 551.007 of the Texas Government Code, as amended during the 86th Legislative Session, sets forth new requirements regarding public comments at Board meetings. In connection therewith, Ms. Miller presented to and discussed with the Board the proposed changes to the District's Resolution Adopting Public Comment Policy and Procedures, as reflected in the redlined policy attached hereto **Exhibit B**. After discussion, it was moved by Director Cummings, seconded by Director Anderson and unanimously carried, that the Resolution Adopting Public Comment Policy and Procedures be amended to incorporate the proposed changes and the President and Secretary be authorized to

execute same on behalf of the Board and the District. An executed Resolution is attached is attached hereto **Exhibit C**.

APPROVAL OF MINUTES

The Board next considered the approval of the draft minutes of its meeting held on August 15, 2019. Upon motion by Director Cummings, seconded by Director Anderson and unanimously carried, said minutes were approved as written.

RATIFICATION OF PRIOR APPROVAL OF NEW ELECTRICITY POOL CONTRACT

The Board next considered the ratification of its prior action to change the time of the regular Board meetings to 6:00 p.m. After discussion, Director Cummings moved that the Board's prior action to change the time of the regular Board meetings to 6:00 p.m. be ratified and approved in all respects. Director Anderson seconded said motion, which carried unanimously.

DEVELOPERS' REPORTS

Mr. Forrest reported on the status of development in Silverglen North, Section 15.

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

Ms. Miller reported receipt of correspondence from the TCEQ dated September 19, 2019, a copy of which correspondence is attached hereto as **Exhibit D**, approving the District's Surplus Funds Application for project approval and related developer reimbursement to DS Silverglen for water, sanitary sewer, and drainage facilities to serve Silverglen North, Section 15.

ELECTRICITY POOL CONTRACT

The Board deferred consideration of its participation in an electricity pool to be established by Acclaim and MAC and requested the matter be placed on the November agenda so that a representative from Acclaim can make a formal presentation of the electricity pool resolution to the Board.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2019 TAX RATE

Ms. Miller explained that the District cannot hold a public hearing to adopt the 2019 tax rate this month due to the fact that the District's meeting date had been moved due to Tropical Depression Imelda. She further explained that the Board may only consider the adoption of a tax if it provides notice of the meeting at least seven days prior to the date of the meeting, and that the notice published for the District stated the canceled meeting date of September 19, 2019. Accordingly, she advised that the Board authorize the tax assessor-collector to republish the notice concerning the consideration of a tax for its November meeting date in the form and manner determined by the Board at its last meeting. Director Cummings moved that the tax-

assessor collector be authorized to republish the notice as recommended by Ms. Miller. Director Anderson seconded the motion, which unanimously carried.

LEVY OF THE DISTRICT'S 2019 TAX RATE AND ADOPTION OF AN ORDER IN CONNECTION THEREWITH

The Board deferred consideration of the District's 2019 tax rate until the next Board meeting.

APPROVE AMENDMENT TO THE SEVENTH AMENDED AND RESTATED DISTRICT INFORMATION FORM

The Board deferred consideration the approval and execution of the Amendment to the Seventh Amended and Restated District Information Form by the Board until the next Board meeting.

TAX ASSESSOR COLLECTOR REPORT

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

DELINQUENT TAX COLLECTIONS REPORT

Ms. Miller presented to and reviewed with the Board the Delinquent Tax Report dated September 13, 2019, prepared by Ted A. Cox, P.C., a copy of which report is attached hereto as **Exhibit F**. She noted that no action was required of the Board in connection therewith.

BOOKKEEPER'S REPORT

The Board considered the Bookkeeper's Report dated September 24, 2019, a copy of which is attached hereto as **Exhibit G**. Mr. Watson 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, and payment be authorized on the disbursements listed therein.

DISTRICT WEBSITE

Ms. Miller presented to and reviewed with the Board a proposed Service Agreement (the "Service Agreement") with Off Cinco, LLC ("Off Cinco") for the redesign and hosting of the District's website. Following discussion, Director Cummings moved to approve the Service Agreement as presented, and authorize Director Cummings to approve the format and design of

the District's website by Off Cinco. Director Anderson seconded the motion, which carried by unanimous vote. A copy of the executed Service Agreement is attached hereto as **Exhibit H**.

WELLINGTON PARK AND ADMINISTRATIVE BUILDING

Director Cummings reported a recent power failure in the Administration Building that was corrected by CenterPoint after he contracted same.

Director Cummings next that trails signs showing the hours of operation for same are in the process of being installed.

Director Cummings then provided a status report regarding administration building rentals.

SILVERGLEN NORTH HOMEOWNER'S ASSOCIATION PARK PROJECT

The Board then considered the status of the proposed park developments in the District. Director Cummings reported that that he is currently working with EHRA on the design of the parks.

REQUEST FROM SILVERCHASE HOMEOWNERS ASSOCIATION ("SILVERCHASE") FOR LANDSCAPE MAINTENANCE

Ms. Miller presented correspondence and photographs received from Preferred Management Services, on behalf of the Silverchase Homeowner's Association, requesting the District maintain reserves B, C, and D. Copies of said correspondence and photographs are attached hereto as **Exhibit I**. Director Cummings stated that he has asked Cut-N-Trim for a proposal to maintain said reserves and will discuss the issue with representatives of Silverchase.

ENGINEERING REPORT

Mr. Bowlin presented to and reviewed with the Board an Engineering Report dated August 15, 2019, a copy of which is attached hereto as **Exhibit J**.

Mr. Bowlin reported that the new Ground Storage Tank (the "GST") has been ordered for a November delivery and demobilization of the old GST will begin in October pending approval of the Interim Water Supply Agreement with Rankin Road West Municipal Utility District.

INTERIM WATER SUPPLY AGREEMENT WITH RANKIN ROAD WEST MUNICIPAL UTILITY DISTRICT (THE "AGREEMENT")

Ms. Miller reported that Rankin Road West Public Utility District ("Rankin") is requesting adoption of \$10,000.00 from the District for the preparation of a feasibility study prior to entering into the Agreement. She further noted that all unopened comments will be returned to the District at the completion of the study. After discussion, Director Anderson moved to

approve the payment of \$10,000.00 to Rankin for the preparation of a feasibility study. Director Cummings seconded said motion, which unanimously carried.

ISSUANCE OF UTILITY COMMITMENTS

Ms. Miller noted that a utility commitment request is pending from the Fallbrook Baptist Church.

MODULAR SEWAGE TREATMENT UNIT PILOT TESTING

Ms. Bradley reported that there is nothing new to report relative to Active Water Solutions, LLC testing of the pilot system at the District's Waste Water Treatment Plant ("WWTP") site.

OPERATIONS REPORT

Ms. Bradley next presented to and reviewed with the Board the Operations Report for August 2019, a copy of which is attached hereto as **Exhibit K**.

Director Cummings reported his discussions with a representative of the Precinct 4 Constable's Office regarding the illegal waterline tap installed at 12806 Discipline Avenue.

Ms. Bradley then 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 Williams, seconded by Director Anderson and unanimously carried, that the Board authorize JePa to terminate all delinquent accounts whose payment was not timely received, per the District's Rate Order.

AMENDMENT TO DISTRICT'S RATE ORDER

In connection with the recent approval of a Residential Solid Waste Collection Agreement with Best Trash, LLC, ("Best Trash"), Director Ward proposed that the Board amend the District's Rate Order to reflect a monthly residential sanitary sewer service rate of \$51.60. After discussion, it was moved by Director Anderson, seconded by Director Preston and unanimously carried, that any and all Rate Orders heretofore adopted by the Board be revoked and the Rate Order attached hereto as **Exhibit L** be passed and adopted.

Director Cummings exited the meeting during the discussion of the rate order amendment and returned after the vote was taken.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Ms. Miller reported the receipt of correspondence from the TCEQ dated August 9, 2019, relative to Docket No. 2018-1666 DIS

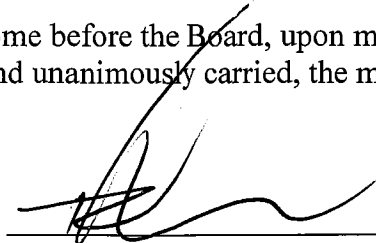
(the Petition for In District Meetings). She advised that the TCEQ is allowing the Board to hold special meetings within ten (10) miles of the District if needed, but noted that the Board's regular meetings are to be held at the Administration Building in the District.

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 except as noted above.

ADJOURNMENT

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



Secretary



LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Public Comment Forms
- Exhibit B Redline of Resolution Adopting Public Comment Policy and Procedures
- Exhibit C Resolution Adopting Public Comment Policy and Procedures
- Exhibit D TCEQ Correspondence
- Exhibit E Tax Assessor-Collector Report and Uncollectible Accounts List
- Exhibit F Delinquent Tax Collections Report
- Exhibit G Bookkeeper's Report
- Exhibit H Off Cinco Service Agreement
- Exhibit I Correspondence and photographs from Preferred Management Services, on behalf of the Silverchase Homeowner's Association
- Exhibit J Engineering Report
- Exhibit K Operations Report
- Exhibit L Amended Rate Order