

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304**  
**Minutes of Meeting of Board of Directors**  
**March 21, 2024**

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 304 (the “District”) held their regular meeting in accordance with the duly posted notice of meeting and the Texas Open Meetings Act. The roll was called of the duly constituted officers and members of said Board, as follows:

Ann-Toinette Johnson-Preston	-	President
Leonard Cummings, Jr.	-	Vice President
Rosalind Caesar	-	Secretary
Michael Garrett	-	Director
LaFrances Moses	-	Director

All of said persons were present, thus constituting a quorum.

Also present were Jared Bowlin, a representative of EHRA Engineering (the “District’s Engineer”); Yvonne Luevano, a representative of Wheeler & Associates, Inc. (the “District’s Tax Assessor”); Tony Bonaventure and Juan Rojas, representatives of Precision Utility Services, LLC (the “District’s Operator”); Scott Gray, a representative of Champions Hydro-Lawn, Inc. (the “District’s Landscaper”); Nannette Ray and Terrance Ray, representatives of TNR Advisors & Management Consultants, LLC (the “District’s Bookkeeper”); Jonathan Roach, Dana Huebner, Ray Arce, Jennifer Rodriguez, and Matthew Ognisty, representatives of Roach & Associates, PLLC (the “District’s Attorney”); Officers Berkheimer, Jones, and Rojas of the Harris County Precinct 4 Constables Office; Tim Applewhite, a representative of McGrath & Co. (the “District’s Auditor”); and various residents, as noted on the sign-in sheet attached hereto as **Exhibit “A”**.

Director Johnson-Preston opened the meeting and asked Mr. Roach to lead the meeting. Director Garrett and Director Moses opposed Mr. Roach leading the meeting.

**PUBLIC COMMENTS**

Mr. Roach thanked the residents for attending and reviewed the District’s Public Comment Policy.

Mr. Rogen Thomas noted he has been using the same drop-off mailbox at the water plant for many years and has never had any issues, but on January 15, 2024, he checked his bank account and did not see that his check had been processed. He stated that he talked to Ms. Peacock with the District’s Operator, and she said they were making some changes and updating their billing system. He advised that it had been two weeks, and his check still had not been processed. Mr. Thomas inquired if he would be credited if he had to cancel the check. Mr. Bonaventure noted he would coordinate with Mr. Thomas after the meeting.

Ms. Sharon Mayo noted that at the last meeting the Board approved a water project for Silverglen North but advised that there were two other items they started discussing but did not address, which were the charges on the District’s commercial properties and drainage and sewage

issues. She asked why those items were not on the agenda. Director Caesar asked Mr. Bonaventure to address the commercial rates. Mr. Bonaventure noted he had been investigating the rates for the District's commercial properties and confirmed that in every example of commercial properties he was given, it appeared that the District's former operator had entered the rates correctly, clarifying that they have not found any instance in which a commercial entity was being charged residential rates. He noted that he cannot go back further than the previous service provider because different software was used.

After several disruptions, Mr. Roach reminded the Board and the residents of the District's Civility Policy.

Ms. Geri Scott passed on verbally stating her comments.

Ms. Sandra Ford introduced herself and noted she was running for a position on the Board. She noted she is a long-time community member, is involved in many organizations within the community, and is currently the treasurer of the Silverglen Homeowners Association. She advised that her goal is for the Board to get back to focusing on the true mission of the District—infrastructure and clean water. She noted that at the last meeting, they discussed important things but that in every meeting the residents complain about the same thing, brown water. She stated that the Board needs to vote on the relevant water projects and not put it off until the election is over. She also said that the Board members should always be present at every meeting so that there is a quorum for the Board to vote on things.

Ms. Vivian Nguyen noted she is with Champion's Industries, Inc., and that she wanted to introduce her company and herself to the Board for trash services. She noted that their trucks are better and safer than the competition and advised that she wanted the opportunity to submit a proposal to the District whenever they renewed their trash contract. Mr. Roach noted the District's current contract expires in August 2024.

Mr. Charles Noble introduced himself and stated he was representing House of Representatives candidate Charlene Ward Johnson, noting she was in the runoff and asked the residents for their support. He further noted she would fight to expand healthcare and improve education, and that, as a former teacher himself, education was very important to him.

Ms. Rose Bradshaw noted that in an attempt to get to know the candidates for the 2024 election they are hosting a candidate forum at Fallbrook Church on April 8, 2024 at 6:00 p.m. She noted all residents and candidates are welcome to attend.

## **MINUTES OF PRIOR BOARD MEETINGS**

The Board considered for approval the regular meeting minutes for February 15, 2024. Director Moses noted she had not reviewed the minutes and asked the Board to defer approval. Director Garrett agreed with her request. After some discussion, Director Caesar made a motion, seconded by Director Johnson-Preston, to approve the minutes as revised. The motion passed (3-2) with Director Moses and Director Garrett opposed.

## BOOKKEEPER'S REPORT, INCLUDING TRANSITION MATTERS

Mrs. Ray presented the Bookkeeper's Report, attached hereto as Exhibit "B". Director Garrett inquired why the District's Bookkeeper had made \$45,000 in the last three months. Mrs. Ray noted they had done a lot of work during the transition and assured Director Garrett that she could justify every dollar they had made. She explained everything they had to do to complete the bookkeeping transition, including reviewing and revising the bookkeeping records for the last two years and transitioning everything to a new system. Director Garrett claimed the District's former bookkeeper is still assisting the District's Bookkeeper and asked for clarification. Mrs. Ray confirmed the former bookkeeper is not assisting with the transition any further. Mr. Ray noted that the bookkeeping was poorly done over the past two years, and they had to spend a lot of time going over it and fixing things. He noted, for example, they discovered \$75,000 in outstanding checks. Mrs. Ray noted her company is one of integrity. Director Garrett clarified he was asking because he was not aware of the details of the transition, to which Mrs. Ray responded that everything is outlined in the 6-page transition plan they submitted in January 2024. Director Cummings thanked the District's Bookkeeper for their great work. Director Moses also thanked them and inquired where she could find the rental deposits in the Bookkeeper's Report. Mrs. Ray responded it was on page 10 under Community Center Rentals. Director Moses noted that she was concerned that by recording it in this manner they would not be able to identify the charges and keep track of them. Mrs. Ray explained that while it was not included in the report, she could pull it up at any time in the system. A discussion ensued regarding the tax regulations for catering events and other independent temporary hires.

Director Garrett noted his concern was the \$45,000 the District's Bookkeeper made in three months, explaining the District's money reserves are low in his opinion and that he has to express his concerns. Mr. Ray noted he understands his concerns, but the Board needs to understand that it is the Bookkeeper's responsibility to understand every line item and every single transaction and that takes a lot of time. He further noted the District is on the "watchlist" for a potential Standard & Poor's ("S&P") downgrade, which could affect the District's credit rating. He then advised that he is a Certified Public Accountant and that if anyone has any concerns, they can contact the state. Director Moses inquired why the District's Attorney's invoice included billing for Ms. Huebner and Ms. Gentry to review Director Garrett's NextDoor posts. After a brief discussion with Ms. Huebner, Mr. Roach replied that a resident of the District asked the Board to review Director Garrett's social media posts because they related to misinformation involving District matters.

After no further discussion, Director Cummings made a motion, seconded by Director Caesar, to approve the Bookkeeper's Report and all checks contained therein. The motion passed (3-2) with Director Moses and Director Garrett opposed. Then, Director Caesar made a motion, seconded by Director Garrett, to release the outstanding checks totaling \$75,000. The motion passed unanimously.

Next, Mrs. Ray presented the draft 2024 budget. Director Moses and Director Garrett noted they needed more time to review the budget. Mrs. Ray noted the budget has been available since March 15, 2024. Director Moses asked why there is a \$30,000 budget for election expenses. Mr. Roach explained that joint elections with Harris County (the "County") are typically cheaper but reminded the Board that the County was not conducting joint elections this year and that self-run elections are more expensive. He then reminded the Board that they designated the District

Attorney, as most districts do, to serve as their election agent, which involves a variety of responsibilities, such as drafting and submitting the proper notices and orders, training of election officials, filing requirements, filing fees, drafting ballots, printing costs, compliance with the Secretary of State regulations, and much more. Then, Director Cummings suggested they have a police officer present during Early Voting and Election Day. Next, Director Moses asked why travel expenses for Directors increased from \$900 to \$5,000. Mrs. Ray noted the amount was very average compared to other districts and recommended all Directors attend certain conferences to better educate themselves. Director Moses inquired why there was no budget for parks and equipment. Director Johnson-Preston noted that the budget for the Administration Building was reduced due to increased spending and that the funds would be better suited for other matters.. Additionally, she noted there would likely be substantial changes forthcoming to the Administration Building and management. She then advised that she and the District's Consultants have been doing a lot of work behind the scenes and will make some very needed changes. She also clarified that the budget can be amended at any time, depending on the circumstances. Then, Mrs. Ray noted the Board would need to set a budget soon as the deadline was long overdue and could cause trouble for the District. She also stated that the focus of the budget this year was on water and sewage expenses. Next, Director Garrett inquired why one Director was holding private meetings with the District's Consultants outside of the full Board. Mr. Roach clarified that, in the absence of regular held meetings of a quorum of the Board, the District's Consultants had to work directly with the Board President to try to prepare a budget as soon as possible because the District's statutory deadline was August 2023, and they had to submit the long overdue budget as soon as possible.

After no further discussion, Director Caesar made a motion, seconded by Director Cummings, to approve the 2024 budget. The motion passed (3-2) with Director Moses and Director Garrett opposed.

### **AUDIT REPORT**

Mr. Applewhite presented the Annual Audit for the Fiscal Year End 2022 (the "2022 Audit") to the Board. He noted the difficulty in putting the audit together due to the mistakes and inconsistencies of the prior bookkeeper, which had to be fixed. He then thanked the District's Bookkeeper for their help and hard work. Mr. Roach reminded the Board that the 2022 Audit was essentially two years overdue and asked the Board to review and approve it as soon as possible. Mr. Applewhite confirmed the District is on the S&P watchlist and needs to get the audit to them as soon as possible. Director Caesar inquired if the rumors of the District being in financial trouble were true. Mr. Applewhite noted the District is actually in good financial standing with ample reserves and available funds. Mrs. Ray confirmed the District's financial standing, noting it has approximately \$10 million in available funds.

After review and discussion, Director Cummings moved to approve the 2022 Audit, subject to final review and incorporation of comments. Director Moses seconded said motion, which carried unanimously.

### **TAX ASSESSOR'S REPORT, INCLUDING DELINQUENCIES**

Ms. Luevano presented and reviewed the Tax Assessor's Report; a copy is attached as **Exhibit "C"**. After no further discussion, Director Cummings motioned to approve the Tax

Assessor's Report, including payment of invoices. The motion was seconded by Director Garrett and passed unanimously.

## SECURITY REPORT

Sergeant Berkheimer and Lieutenant Jones reported incidents in the District from the preceding month. Director Garrett asked the officers to patrol Silverglen West due to recent break-ins. Mrs. Scott noted the break-ins were happening after midnight. The residents also expressed their concerns regarding gunshots and opened mailboxes.

## ENGINEER'S REPORT

Mr. Bowlin presented the Engineer's Report; a copy is attached as Exhibit "D", discussing the following:

a) Water Distribution Improvements, noting the survey along TC Jester has been completed and the design of the water line extension is underway.

b) Water Plant Improvements, noting the pre-construction meeting was held on March 20th and the notice to proceed is being scheduled. Then Mr. Bowlin stated that he will coordinate with the District's Operator to ensure the residents will have water during construction.

c) Silverchase Meadows Park Project, noting the contractor is substantially complete with the park, separate adequate vegetation, and punch list items. An inspection is being scheduled and is anticipated to yield minor deficiencies.

d) District Trails, noting the trails will be reinspected upon completion of the land transaction and the owner is closing out tax statements.

e) Wastewater Treatment Plant Access Road, noting construction drawings for the access road improvements were submitted to the County and Harris County Flood Control District ("HCFCD") for review. Mr. Bowlin noted that upon receipt of comments, an interlocal agreement with HCFCD will be required.

f) Proposed Wastewater Treatment Plan Expansion Project, noting the project is currently underway and the existing permit is being renewed and is currently being publicly advertised. Mr. Bowlin noted he recommends a workshop with the District's Financial Advisor to see the impact of bonds and to help the Board understand how to get bonds without raising taxes. He noted he recommends getting more bonds and that it is better to have bonds available, so they do not take from the water revenue and raise water rates. Director Garrett inquired if they could apply for grants. Mr. Bowlin noted grants are more restrictive and project specific.

g) April Wind Drive, noting construction drawings were received for the development of nine lots in Silverglen West, and an updated set of construction drawings has been submitted for review. Mr. Bowlin noted he does not recommend approval.

h) Other District Matters, noting a topographic survey is being obtained on the easement between Silverchase and Silverglen North.

Mr. Bowlin requested that an item be added to the next agenda to amend the District's Engineer's contract, noting it has not been reviewed since 2015. Director Garrett noted he would like to defer that discussion until after the election. Director Johnson-Preston noted it could be addressed at the next Board meeting. Director Garrett noted the District is on a spending spree and it needs to stop.

### **OPERATOR'S REPORT**

Mr. Bonaventure presented the Operator's Report, attached hereto as Exhibit "E", including updates on repairs and other action items. After no further discussion, Director Caesar made a motion, seconded by Director Cummings, to approve the Operator's Report. The motion passed unanimously.

### **TAX ASSESSOR'S REPORT CONTINUED**

Mr. Luevano noted the District's Tax Assessor's contract had not been reviewed since 2015. She presented the new contract and the rate increase. After no further discussion, Director Cummings made a motion, seconded by Director Garrett, to approve the amended Tax Assessor's contract. The motion passed unanimously.

### **DETENTION & DRAINAGE FACILITIES REPORT**

Mr. Grey presented the Detention & Drainage Facilities Report, attached hereto as Exhibit "F". He presented three proposals, including (1) Silverglen North P245 Extension Channel general rehabilitation for \$31,741; (2) Silverglen North Section 3 Pond Desilt for \$12,000; and (3) SilverLead/Silverchase Pond Desilt for \$9,500. After some discussion, the Board decided to defer the proposals and for the District's Engineer to meet with Mr. Grey to discuss them.

### **ADMINISTRATION BUILDING & RECREATIONAL FACILITIES REPORT**

This item was deferred.

### **ATTORNEY'S REPORT**

Mr. Roach provided an update regarding the 2024 Directors Election. He noted that all candidate applications had been verified for completeness and qualifications. He then reminded the residents that April 4, 2024, was the last day to register to vote. Mr. Roach then advised that the Notice of Election had been posted to the District's website and that the ballot order would also be posted to the website shortly. Next, Mr. Roach reminded the residents of the election dates, noting early voting dates from April 22nd through April 26th, April 29th, and April 30th; Election Day was May 4, 2024. He also advised that the District would use paper ballots because the County indicated they are not renting electronic voting machines and that the vendors only sell them for bigger elections. He then recommended that the paper ballots be counted three times to ensure accuracy. He also explained the provisional ballot process. Finally, he noted the Board would need

to hold a special meeting between May 7 and May 15 to canvass the election results.

After some discussion Director Caesar made a motion, seconded by Director Cummings, to close the Administration Building during voting. The motion passed unanimously.

Mr. Roach explained the District's legal requirements to file the Special Purpose District Report with the State Comptroller. Director Garrett made a motion to authorize the filing of same. Director Cummings seconded said motion, which carried unanimously.

Mr. Roach advised that the District is required to research any unclaimed property related to water utility deposits, tax overpayments, and additional funds the District may be in the custody of which will need to be reported and, in some cases, escheated to the State of Texas. Upon a motion by Director Caesar, seconded by Director Cummings, the Board voted unanimously to authorize the District's Consultants to research any unclaimed property held by the District and provide the necessary notice, as applicable.

### **DIRECTOR'S REPORTS**

There was nothing to discuss.

### **PUBLIC COMMENTS CONTINUED**

Mrs. Cleo Johnson introduced herself and noted she was speaking on behalf of State Representative Jarvis Johnson who is her son. She noted he is running for Texas Senate and asked the residents for their support. She noted that during his time in office as a Representative, he made sure bills supported by their community were being addressed and he would continue to do so.

### **EXECUTIVE SESSION**

The Board entered executive session at 8:12 p.m.

Director Garrett and Director Moses exited the meeting at 8:45 p.m.

### **RECONVENE IN OPEN SESSION, AND AUTHORIZE ANY ACTION RESULTING FROM EXECUTIVE SESSION**

The Board reconvened at 9:25 p.m.

Director Cummings made a motion, seconded by Director Caesar, to approve the following actions resulting from executive session: (1) to eliminate liaison positions in the District; (2) to reinstate the June 15, 2021, motion regarding the allocation of the remaining \$150,000 for District parks that was revoked in the July 21, 2022, meeting ; (3) to remove the basketball courts; (4) to revise the special event budget to \$1,000 per event; and (4) to authorize the District's Engineer to perform a survey of Silverglen North Park. The motion passed (3-0) with Director Moses and Director Garrett absent from the vote.

The Board concurred to hold a special meeting on March 26, 2024. Then Director

Cummings made a motion, seconded by Directors Johnson-Preston, to authorize the engagement of police officers during Early Voting and on Election Day. The motion passed (3-0) with Director Moses and Director Garrett absent from the vote.

**PENDING BUSINESS, MATTERS FOR FUTURE AGENDAS, AND SCHEDULE FOR UPCOMING MEETINGS**

After no further discussion, Director Cummings made a motion, seconded by Director Caesar, to adjourn the meeting, which passed (3-0) with Director Moses and Director Garrett absent from the vote.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



Approved this 16th day of May 2024.

/s/ Rosalind Caesar  
Secretary, Board of Directors



**LIST OF EXHIBITS**

- Exhibit A - Sign-in Sheet
- Exhibit B - Bookkeeper's Report
- Exhibit C - Tax Assessor's Report
- Exhibit D - Engineer's Report
- Exhibit E - Detention & Drainage Facilities Report
- Exhibit F - Operator's Report