

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304**

**Minutes of Meeting of Board of Directors**

**February 4, 2025**

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 304 (the “District”) held a 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:

Sharon Mayo	-	President
Geri Scott	-	Vice President
Sandra Ford	-	Secretary
Larry Gene Allen Sr.	-	Director
LaFrances Moses	-	Director

All of said persons were present, except Director Mayo, who arrived later in the meeting, thus constituting a quorum.

Also present were;; Juan Rojas of Precision Utility Services, LLC (the “District’s Operator” or “Precision”); Frank Mitchell and Joshua Zientek of Mitchell, Zientek & Scruggs, LLP (the “District’s Attorney” or “MZS”); Philips Givens of Superior Management, LLC (“Superior”); Officer(s) of the Harris County Precinct 4 Constable’s Office (“HCCO4”); Willie Hodge of Willsher Security, LLC (“Willsher”); Simon Van Dyk of Touchstone District Services (“Touchstone”); and various members of the public.

**PUBLIC COMMENTS**

Mrs. Rosalind Caesar reminded the Board that she previously recommended the Board be familiar with the Texas Water Code and advised that she previously provided copies. She also mentioned a previous news story involving Director Mayo and water quality. Mrs. Caesar explained how the individual Board members previously considered water quality concerns and that the Texas Water Code would provide guidance to the Board with addressing water, sewer, and drainage concerns and help to mitigate involvement in lawsuits, which she explained, in her opinion, are not in the Texas Water Code.

**RESULTS OF RATE STUDY AND CONSIDER APPROVAL OF DISTRICT RATE ORDER AMENDMENTS**

Mr. Givens introduced himself and his company. Next, he presented the results of the Rate Study that was completed at the request of the Board. He explained the objectives and considerations involved in preparing and completing the Rate Study. He advised of the importance of supporting data and mitigation of rate change challenges. Next, he outlined the process followed and variables considered, in preparing the Rate Study and recommending changes.

Mr. Givens then began to review the District’s current rates and how they are currently being implemented. Mr. Mitchell explained how the District is being billed for Central Harris County Regional Water Authority (“CHCRWA”) fees and that the operator recommended that the Rate

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Order should be amended to reflect those costs being passed through properly. He provided the current rates from CHCRWA and how the current Rate Order sets out those fees. Director Allen mentioned that trash collection fees are currently part of the District's sewer fees. Director Ford confirmed that the report was only preliminary and will be adjusted based on additional information and variables that are still being evaluated. Mr. Givens then explained, historically, the normal billing practices of districts and the industry shift away from billing based on customer classes to instead billing based on meter size and equivalency factors. A review of the adopted budget was completed and its application to the rate study process was outlined.

Director Mayo entered the meeting at this time. Mr. Givens explained considerations included in the study, specifically, revenue risk, financial integrity, and sustainability of the District, including the implementation of an "Asset Management Plan." The Board considered historical Rate Order changes and the impact on the District's budget, expenses, losses, and reserves.

Mr. Givens then again confirmed that this Rate Study is preliminary and will change based on additional research and variables that are still being evaluated. He also explained the need to properly communicate with members of the community and public to ensure that the public better understands the rate changes and reasons for the changes. Mr. Van Dyk advised that Touchstone can assist with helping the District to communicate changes to the residents. Mrs. Byrd asked about the completion of a meter study. Mr. Givens explained how basing rates on meter size is completely non-discriminatory and helps to protect the District from rate challenges.

Mr. Mitchell then explained that CHCRWA fees have increased as of January 1<sup>st</sup> and that the Rate Study should be amended to reflect the proper pass-through fees plus a markup to account for water loss. Director Moses recommended reviewing the change prior to making any amendments to the Rate Order. Mr. Mitchell advised that the amendment could be made at this meeting or at the next regular meeting but, if no amendment is made, there will be a monetary loss to the District for the CHCRWA fees. Mr. Givens advised that making changes incrementally may be beneficial to residents. Director Moses reviewed the December 2024 Bookkeeping report to determine an estimate increase in cost (\$30) per household that will be affected by the amendment. Director Moses requested that a sample of an actual bill be provided reflecting the increase. Director Allen moved, and Director Moses seconded, to table the changes based on the CHCRWA fees. The motion passed three to zero to two (3-0-2) with Directors Mayo and Scott abstaining. Director Ford emphasized the importance of making an educated decision and properly communicating any changes with the public after considering all variables.

**CONSIDER ADOPTION OF RESOLUTION AMENDING AND RESTATING DISTRICT CIVILITY AND DECORUM POLICY**

Mr. Mitchell advised that, as a result of a recent presentation at the Association of Water Board Directors ("AWBD") meeting, changes to the District's Civility and Decorum Policy were requested and a draft of the proposed amendments were distributed prior to the meeting. He then explained the changes which are being proposed, including an initial comment time limitation of three (3) minutes per issue by Board members. He further explained that deliberations can continue until finished or the presiding officer calls for a vote. Director Moses moved to table this change

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until a future board meeting. The motion was seconded by Director Allen. Director Ford further clarified the purpose of meeting efficiency and the importance of following Robert's Rules of Order and maintaining professionalism. Director Moses advised that she would like to table the matter to give additional time to review the recommended changes and make additional recommendations. The motion passed three to two (3-2) with Directors Mayo and Scott opposing.

**EXECUTIVE SESSION**

The Board entered into executive session at 6:15 p.m. for consultation with attorney.

**RECONVENE IN OPEN SESSION**

The Board reconvened in open session at 6:20 p.m. No action was taken as a result of Executive Session.

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

The next meeting will be scheduled for February 20, 2025.

**ADJOURNMENT**

There being no further agenda items, the meeting was adjourned.

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Approved this 20<sup>th</sup> day of February, 2025.

/s/Sandra Ford  
Secretary, Board of Directors

