

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304**  
**Minutes of Meeting of Board of Directors**  
**July 16, 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:

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

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

Also present were Paul Anderson, a representative of EHRA Engineering (the “District’s Engineer” or “EHRA”); Yvonne Luevano, a representative of Wheeler & Associates, Inc. (the “District’s Tax Assessor” or “Wheeler”); Tona Bonaventure, representatives of Precision Utility Services, LLC (the “District’s Operator” or “Precision”); Nannette Ray and Terrance Ray, representatives of TNR Advisors & Management Consultants, LLC (the “District’s Bookkeeper” or “TNR”); Frank Mitchell and Joshua Zientek of Mitchell, Zientek & Scruggs, LLP (the “District’s Attorney” or “MZS”); Robert Garcia of Champions Hydro-Lawn, Inc. (“Champions”); Diondria Smith and Maria Sorto, Administrators of the District Administrative Building; Officer Berkheimer and Officer Jones of the Harris County Precinct 4 Constables Office (“HCCO4”); Willie Hodge of Willsher Security, LLC (“Willsher”); Ken Ferrar of Best Trash (“Best”) ; Kenneth Ray of Rat-A-Way; and various members of the public.

Director Mayo opened the meeting and all consultants of the District introduced themselves and provided some background information.

**PUBLIC COMMENTS**

There was a question related to tree removal and emergency preparedness to be ready in the event of future emergency situations including trash collection procedures, provisions for water to multiple households, electricity outages. Additionally, there was a concern related to water chemical composition. Director Garrett explained how Precision aids with emergency preparedness and coordination of services for the District in the event of an emergency. He also noted an agenda item related to the purchase of generators to be better prepared for emergencies. He explained that Fallbrook Church could also provide assistance as a cooling center in the event of an emergency.

Director Allen expressed concern about access to District facilities by residents and wanted to discuss the matter. Mr. Mitchell explained that there was not an item on the agenda for that issue and explained the requirements related to the Texas Open Meetings Act (“TOMA”) and only discussing items which are properly noticed on an agenda.

## MINUTES OF PRIOR BOARD MEETING(S)

Mr. Mitchell advised that the prior meeting minutes are still in draft preparation; however, due to the recent hurricane and related electrical outages, they will be presented for approval at a future meeting.

## LAW ENFORCEMENT REPORT

Officer Berkheimer presented the Law Enforcement Report on behalf of Harris County Precinct 4 Constables Office, including a review of incidents within the District. He further advised that the proposed new contract is being prepared for review and execution. There was discussion related to the terms of the contract, associated costs of law enforcement, and noting that there will be a reduction in the request to four (4) officers. Mr. Mitchell reminded the Board of previously approved terms at a prior board meeting needed to provide for full coverage and also additional assistance from a private security company. Director Allen explained the benefits of installing additional traffic control devices and additional officers within the District. He advised that a traffic study could be requested which could potentially aid with a determination of the potential for additional traffic control. Director Garrett explained that the Harris County Sheriff's Office did not choose to provide a proposal at this time. He also outlined the benefits of additional coverage as previously approved by the Board. Director Moses asked when the decision was made to change from six (6) to four (4) officers. Mr. Mitchell advised that it was discussed at the budget meeting earlier in the month, and that after a proposal for four (4) officers is provided, the Board can vote on which proposal to approve. Director Moses then requested to speak with officers after the meeting related to an alleged violation of the Texas Open Meetings Act.

Mr. Hodges provided the security report from Willsher and explained how reports will be prepared and provided to the District in the future.

## DIRECTOR MATTERS

Mr. Mitchell provided an update on the director liaison/committee assignments list to correct and error on the previously distributed list. Director Mayo advised that she would be liaison for the Special Events or Administration Building. A heated discussion then took place and Director Moses moved, seconded by Director Allen, to remove Director Moses and Director Allen from all liaison positions. The motion passed unanimously.

The Board next considered purchase of District devices, including cell phones for Director use related to District business. Mr. Mitchell explained the benefits of using District owned devices, including controlling for Texas Open Meetings Act requirements. A member of the public confirmed some of the risks related to use of personal cell phones for public business. Director Mayo explained how the Directors could benefit from use of District cell phones for District related business. Another member of the public asked about the possibility of conducting remote or virtual meetings. Mr. Mitchell explained the procedures related to such. Director Moses expressed concern related to the use of public funds for purchasing District devices. Director Mayo then moved, and Director Scott seconded, to approve purchase of cell phones and related services plans for the

District's Directors that choose to use it, the motion passed three to two (3-2) with Director Moses and Director Allen opposing.

### **BOOKKEEPER'S REPORT (CONTINUED BELOW)**

Mrs. Ray presented the Bookkeeper's Report, attached hereto as **Exhibit B**. She reviewed some of the invoices within the Bookkeeper's Report as well as the District's current budget. She outlined transfer of funds between District accounts related to debt service payments. She then provided an update on transition from the prior District bookkeeper and the preparation of reports to mitigate material weaknesses within the District's Audit. Director Moses asked about review of invoices including review of legal services invoices. Mr. Mitchell explained that the invoice was for two (2) months and that the invoice includes several entries related to communications between Directors that more of a personal quibble nature rather than actual District business but required dedicated time nonetheless. Director Garrett noted the several action items completed which required extensive legal assistance between and at meetings. Director Mayo explained difficulties in retaining consultants due to concerns caused by prior Board actions. Director Mayo moved, seconded by Director Garrett, to approve the Bookkeeper's Report and payment of the invoices contained therein. The motion passed four to zero to one (4-0-1) with Director Allen abstaining.

Next, the Board considered the proposed draft annual budget for FYE 2025. Ms. Ray explained that the budget must be approved before the end of the fiscal year.

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

Ms. Luevano presented and reviewed the Tax Assessor's Report; a copy is attached as **Exhibit "C"**. After confirmation that the District signature cards were completed, Director Garrett motioned to approve the Tax Assessor's Report, including payment of invoices. The motion was seconded by Director Scott and carried unanimously.

### **ENGAGEMENT OF TXMGMT FOR GENERAL MANAGER/ADMINISTRATION BUILDING MANAGEMENT SERVICES, INCLUDING ACCEPT RESIGNATION OF CURRENT DISTRICT EMPLOYEES**

Mr. Mitchell introduced Mr. Juan Galvan of TXMGMT and explained that the current District employees will be able to continue to work with the District as employees of TXMGMT if hired. Mr. Galvan introduced himself and provided the professional qualifications of TXMGMT and how he could utilize the District's current employees to provide management services to the District, including Board and resident communication/coordination and management of District facilities, including District parks. Director Mayo explained the benefits of delegating management of the District to a management company. Mr. Mitchell noted the associated employment law issues with having District employees would also be transferred to the company and hiring a management company was both his and the District's employment law counsel's recommendation. Director Moses motioned and Director Mayo seconded to approve the agreement with TXMGMT. The motion passed unanimously. Mr. Mitchell confirmed that the contract would begin August 1, 2024.

**CONSIDER PROPOSAL FOR RATE STUDY FROM SUPERIOR MANAGEMENT, LLC**

Mr. Mitchell explained how the District could benefit from a rate study to determine how rates should be modified to accommodate the needs of the District. The Board concurred to defer action at this time to allow the consultant to present to the Board the methods that he would use to review the District's rates. The Board concurred with conducting a special meeting related to a rate study presentation due to Mr. Givens being out of town and the time involved with a physical presentation of the proposal.

**DISCUSSION RELATED TO ENGAGEMENT OF GRANT WRITER**

Mr. Mitchell advised that Mr. Givens with Superior Management said works with a grant writer that could possibly benefit the District. The Board asked that MZSLLP work with him to setup a meeting with the individual.

**MOSQUITO CONTROL**

Mr. Ray of Rat-A-Way introduced himself and explained how his company could assist with mosquito control. He explained how mosquitos can be treated and advised that he could provide services as soon as needed. Director Garrett moved, and Director Scott seconded, to approve the proposal from Rat-A-Way, subject to final review by MZSLLP. Mr. Mitchell explained that the proposal is for treatment of the entire District boundaries. The motion passed unanimously.

**CONSIDER CPI INCREASE FROM BEST TRASH**

Mr. Ken Ferrar of Best Trash introduced himself and explained the contractual provisions for an increase related to the consumer price index. Director Moses asked about the sizing of trash containers. Mr. Ferrar explained that Best Trash only provides 65-gallon containers for resident use. He also explained that residents should contact customer service if repairs are needed on trash containers. Director Scott asked about trash collection related to the hurricane. Mr. Ferrar explained how trash collection has been affected by the hurricane including increases in trash production by residents. He advised how collection is prioritized including slowed collection of vegetation and related debris. Director Allen explained that Harris County Pct. 1 will collect vegetation and related debris caused by the hurricane. Mr. Ferrar explained how to best communicate with Best Trash. The Board then discussed the collection days and the potential to adjust collection days to accommodate the District. Members of the public asked about how homes are selectively serviced. Mr. Ferrar explained how services providers determine the appropriate trash to collect. Mr. Mitchell advised that the CPI increase is automatic upon appropriate notice. Mr. Mitchell explained that the cost change will take effect in October 2024. He also explained the termination provisions of the Best Trash contract explaining that notice must be given by the end of July 2024 otherwise the contract is renewed for one (1) year. Director Mayo moved and Director Scott seconded to approve the CPI increase and allow the Best Trash contract to renew. The motion passed unanimously.

## BOOKKEEPER'S REPORT (CONTINUED FROM ABOVE)

Mrs. Ray explained invoices received from Silverglen HOA regarding a piece of property. Mr. Mitchell explained that ownership will need to be verified and that the District is not subject to taxes or HOA dues. He further advised that the tax assessor and engineer can help confirm who paid the taxes and ownership of the property during the appropriate time periods.

## DISCUSSION OF PROPOSED SERIES 2025 BONDS

Mr. Mitchell provided details related to the District's Capital Improvement Plan ("CIP") and explained how schedules are created to provide financially for capital improvements. Furthermore, he outlined how bond authorization occurs and eventually bonds are issued. He explained that the District's remaining bond authorization limits are insufficient to provide for all future capital improvement needs of the District and we will need to hold a bond authorization election at some point in the future. The process by which a bond authorization election is completed was explained. Mr. Mitchell explained how bonds are issued and funds ultimately received by the District to be used for public projects. Lastly, he explained how funds spent from operating capital now can be reimbursed after a bond issuance. Director Garrett moved, and Director Mayo seconded, to authorize the District's engineer to prepare a Bond Application Report to be submitted to the Texas Commission on Environmental Quality ("TCEQ"). The motion passed unanimously.

## ENGINEER'S REPORT

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

- a. Water Distribution Improvements, noting the construction drawings have been submitted to the City of Houston, Harris County Engineering, and Harris County Flood Control District ("HCFCD"). He noted that he was working with MZSLLP to obtain the necessary easements for the project. Mr. Mitchell explained that property ownership is being researched.
- b. Water Plant Improvements, noting that the contractor has mobilized and is currently installing the booster pump cans. The contractor has submitted Pay Request No. one (1) in the amount of \$23,400 for approval.
- c. Silver Chase Meadows Park Project, noting Wild Magnolia Landscaping, LLC ("WML") has substantially completed the park, adequate vegetation, and punch list items. Mr. Anderson noted that the District was still holding retaining until all remaining items had been satisfactorily complete.
- 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 (“WWTP”) Access Road Repair, noting construction drawings were submitted to Harris County and HCFCD for review, and the comments they sent back to the District’s Engineer are currently being reviewed and addressed. Harris County Flood Control is requesting an Interlocal Agreement with the District.
- f. Proposed WWTP Expansion Project, noting the project is currently underway and the permit will require a major amendment, which is about a nine-month process with the TCEQ. Mr. Anderson noted the construction drawings can be created parallel to submitting the permit and once construction begins, the plant will take approximately one (1) year to complete. He noted the existing permit is being renewed and is currently being publicly advertised.
- g. April Wind Drive, noting construction drawings were received for the development of nine lots in Silverglen West and comments have been received and were provided. Mr. Anderson noted an updated set of construction drawings has been submitted for review, with additional comments being provided.
- h. Silverchase/Silverglen North Pipeline Easement Drainage, noting a topographic survey was obtained on the easement. Lansing Howl Lane is creating a dam, not allowing the water to flow properly to the northeast. There is sufficient elevation to allow proper drainage; however, drainage pipes will need to be installed under the roadway. The pipeline companies that have rights to the easement have been contacted for permission to construct drainage lines within the easement. Once approvals are obtained, plans will need to be smutted to Harris County Engineering.
- i. Other District Matters, noting that a request for capacity for a food truck park was requested to be north of Spears Road, east of Walters Road. Plans have not been submitted for review.

After no further discussion, Director Mayo moved to approve the Engineer’s Report, including the pay request in the amount of \$23,400 to C3 Constructors, LLC, as discussed. Director Garrett seconded the motion, which passed unanimously. The Board deferred the request to consider amendment of the Engineer’s Contract.

### OPERATOR’S REPORT

Mr. Bonaventure presented the Operator’s Report, attached hereto as Exhibit “E”, including updates on repairs and other action items. He provided an update on testing, taps, a wastewater treatment plant permit update, and a debriefing on the hurricane event. He explained how Precision handled the hurricane and efforts to ensure that the District is able to serve its residents. The valve and hydrant survey proposal was presented for consideration.

After a brief discussion, Director Garrett moved to approve the Operator’s Report and all actions contained therein, including the cut-off list and the valve and hydrant survey proposal and the purchase of two (2) emergency generators at a cost not to exceed the amount indicated in the written report. Director Mayo seconded the motion, which passed unanimously.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

Mr. Robert Garcia introduced himself and presented the Detention and Drainage Facilities Report. There were no action items. Director Mayo moved, and Director Scott seconded, to approve the Detention and Drainage Facilities Report. The motion passed unanimously.

## **ADMINISTRATION BUILDING AND RECREATIONAL FACILITIES REPORT**

Director Moses explained the benefits of installing a gas line and emergency back-up generator to the Administration Building for the benefit of the residents. Director Mayo moved, and Director Scott seconded, to approve installation of a gas line and generator in the Administration Building. The motion passed unanimously. Director Moses advised that, after Board approval, she will coordinate future action items with the District's management company. The Board then discussed the benefits of having an emergency action plan for the Administration Building. It was noted that the management company will be able to assist in providing such plans and other types of procedures once they get started.

## **REVIEW/CONSIDERATION OF DISTRICT CONSULTANT CONTRACTS**

Mr. Mitchell mentioned that the District has previously discussed hiring a communications consultant and that he would research options for presentation at a future board meeting.

## **ATTORNEY'S REPORT**

Mr. Mitchell provided a brief update on the District's legal counsel transition, noting no major issues. He noted that all electronic records were received; however, coordination of hardcopy records are ongoing and were delayed due to the hurricane. He then explained signage that is required related to unlawfully carrying weapons in a government meeting. Lastly, he explained the requirements for declaring surplus property and ordering its disposal. Director Moses explained how the District could benefit from tracking District owned equipment. Director Garrett moved, and Director Mayo seconded, to authorize the District's Management Company to provide the appropriate signage related to unlawfully carrying a weapon in a government meeting.

## **EXECUTIVE SESSION**

The Board entered executive session at 8:34 p.m. for consultation with attorney and for security matters.

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

The Board reconvened into open session at 8:54 p.m.

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

Ms. Ray asked that an agenda item be added to discuss moving District funds to receive interest benefits.

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Approved this 15th day of August, 2024.

/s/Michael Garrett  
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 - Operator's Report