

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304
Minutes of Meeting of Board of Directors
February 15, 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”); Juan Rojas, a representative 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, Ray Arce, Jennifer Rodriguez, and Matthew Ognisty, representatives of Roach & Associates, PLLC (the “District’s Attorney”); Constable Rojas of the Precinct 4 Constables Office; Taylor Cavnar and Rick Ellis, representatives of the Association of Water Board Directors (“AWBD”); and various residents, as noted on the sign-in sheet attached hereto as Exhibit “A”.

Director Johnson-Preston opened the meeting.

PUBLIC COMMENTS

Mr. Roach thanked the residents for attending and reminded them of the Civility Policy. Director Moses asked why the meeting was not being recorded. Mr. Arce noted he did not bring the recording equipment due to some complications. Director Moses asked how the Board is supposed to know if the minutes are accurate if they do not have a recording to compare them to. Mr. Roach explained there was no legal requirement for the meeting to be recorded and noted the recordings are usually done for the benefit of the person drafting the minutes. He further noted anyone was free to record the meeting on their own and that Ms. Rodriguez would take notes for the minutes.

Mr. Larry Allen stated he asked for the finance report at the last meeting and did not get a copy of it. He requested that enough copies of the reports be brought to the meetings for taxpayers to get copies. He then reminded the Board they do not work for the District’s Attorney; they work for the District and the residents. Mr. Allen proceeded to ask about legal fees and did not understand what Mr. Roach did to be paid such a big amount, claiming all he saw was sweet talk and no action. Next, he noted the police officers always attend the meetings but are nowhere to be seen for the rest of the week. He advised that the only way to get peace is to get rid of injustice. He asked the Board

how they can talk about civility in the Civility Policy when they do not even talk about what they are supposed to do for the District. He reminded the Board they run the community and asked them why they let Mr. Roach run the District, claiming all decisions are made by him. Lastly, Mr. Allen noted he was recording the meeting.

Ms. Monica Lewis stated the issue with the trees at the back of her house, as previously discussed in past meetings, is still there. She noted that every time she inquires about the issue she is told to discuss it with the Board. She also stated the water caused her daughter's skin to break out and that the toilets and pipes were golden, noting she had to change the chains. She advised she called the District's Operator but she has not received an update. Ms. Lewis stated the water is bad and that she was supposed to receive a call but never got it. She noted she has asked many times about the chemicals in the water and has received no response. She then inquired why her water bill doubled in three months. She noted she could show evidence of her pipes and all the times she had to change everything. She advised that her eczema was very bad from the water and that something was going on. Director Ceasar noted they would send someone to Ms. Lewis's home the next day. Director Garrett stated Ms. Lewis's bill is higher because the Board will not vote to reduce the water bills.

Ms. Geri Scott stated she lived in Silverglen West and that for the last few months, there has been a huge number of break-ins, noting the past week residents posted videos regarding the break-ins on social media. She noted she knew that the Board had hired officers to patrol the neighborhood and that she had seen them in the Administration Building, on TC Jester, and a couple of weeks ago in her subdivision, but not much. She advised that the break-ins occur mostly from 11:00 p.m. to 4:00 a.m. and that she has videos on her phone regarding the break-ins. She asked the Board what they are doing about the break-ins and noted it is not only happening in Silverglen West and that crime is on the rise. She advised that the least the residents could ask for is for someone to patrol the community to prevent some of these things from happening. Director Caesar noted the police officers have schedules and cannot be everywhere at once and recommended that the District partner with the Homeowner's Associations to bring more officers to the community. She said people are driving very fast on TC Jester as well, but it is difficult to have a contract for them to be on TC Jester, in Silverglen North and West, and other places too. Ms. Scott noted she understood that but said that in past meetings she had never heard the police officers talk about Silverglen West during their report. Director Cummings asked if residents were calling the police. Ms. Scott confirmed and said that there is a small group of residents who have volunteered to monitor the area and that one resident told her they had been in communication with Precinct 4 regarding the break-ins. Director Garrett noted it is impossible for one officer to police everything and that you cannot find a police officer in the entire neighborhood. He claimed the District is paying \$180,000 for nothing, emphasizing they are nowhere to be seen. He stated the Board chose to contract with Precinct 4 when they should have picked the private security option Director Moses and him had suggested and noted the District needs a new Board.

Ms. Sharon Mayo stated at the last meeting some people stayed to talk to the District's consultants, and the District's Engineer told the residents that Silverglen North needed pipes for the additional water source. Director Johnson-Preston noted she hoped the Board would vote on that at the present meeting. Ms. Mayo thanked Mr. Arce, Mr. Bowlin, and some of the other people who stayed after the last meeting because they gave a lot of information the residents were not aware of. She stated that she hoped the Board could get some important things approved at the meeting

and not focus on the new homes. She claimed the District cannot accommodate new development until they fix the current issues, and that she hoped everyone is on the same page. She noted their water is really bad and that she appreciated Mr. Bowlin explaining everything. Ms. Mayo stated she hoped the Board came to the meeting to accomplish something and set the other foolishness aside.

Director Johnson-Preston noted there were a lot of water quality issues to address at the January 18, 2024 meeting, but the meeting ended. She stated there was a meeting on January 25, 2024 to focus on the water quality issues, but there was no quorum. She noted that the public was welcomed to stay and there was very valuable information discussed with the Financial, Managerial, and Technical (“FMT”) team from the Texas Commission on Water and Environmental Quality (“TCEQ”). Director Johnson-Preston stated she can offer prayer, productivity, and positivity, but she cannot do it alone. She also advised that some representatives from AWBD were going to give a presentation at the present meeting because some of the residents have some concerns about why Directors do not attend the conferences. She noted they would bring the FMT team again to train the Board on how to behave and come together to vote on the relevant issues. She advised that AWBD representatives are also coming to see how the Board can address the rest of the District’s issues and projects, including the 90-day assessment which explains how projects are getting done. She then stated that, together with the District’s Bookkeeper, they are planning how the District can pay for the \$8 million Water Plant Expansion, noting they have many other projects and they have to make sure the District can pay for it so they do not have to raise taxes in the future. She further noted that the consultants were able to share very important information with the residents after the meeting on January 18, 2024. She asked the residents to be encouraged and to know that the Board is working on fixing all the issues but cannot do that if the Board is not on the same page.

Director Garrett stated that on behalf of him and Director Moses, he wanted to note that Director Moses had only missed one meeting while the other Directors had missed many more meetings. He claimed that everything is about the new houses and that the FMT team said not to build anything on top of the current system. He noted DR Horton is present at every meeting to talk about the development and asked why there was such a rush on their part. He stated that at the end of the day, they are all there for water but cannot come together to vote. He noted the Board could vote for water issues now, but they have been saying that for a year and he thought the main thing on the agenda is always the houses.

Director Caesar noted they had an order to sign for the water conversion. Mr. Roach confirmed and explained it was subject to confirmation from the District’s Engineer. Director Caesar explained the Central Harris County Regional Water Authority (“CHCRWA”) is raising the rates and that the District cannot control it. She also noted the District is about water, sewage, drainage, and trash and that regardless of what is being said we all want clean water. She further advised that they also want sewage to run well and it is not. She noted she has been trying to work on this for years and that she will still be fighting to achieve that during her last months on the Board. She noted she was grateful that CHCRWA worked with Mr. Roach for them to reimburse the District. She further noted none of the Directors went to the CHCRWA meetings, only she did. Director Garrett stated the District buys water from CHCRWA and then the District sells it to the homeowners, and the District could sell it at whatever price they decide. Director Cummings clarified that residents pay approximately \$23 for water, \$25 for sewage, \$20 for something related to solid waste, and then some additional specific charges according to the Rate Order. He noted the money for water and sewage is based on 9,000 gallons and everything above that threshold has an

additional cost, but everyone starts off paying the same. He advised that when the District took on trash, the monthly bill also had to be raised and noted that they are charging the same as other communities around the area. He encouraged the residents to look at their Rate Order. Director Johnson-Preston noted they will stick to water, sewage, drainage, trash, and security, noting security was her number one priority from the beginning of her term. She stated she goes way back with a lot of the residents and that her house pays taxes, and she would never make any choice that would affect the residents because it would affect her too. She noted the residents will see the number of hours that the Board and the consultants are putting in to solve the pressing issues, noting the TCEQ said the District is on their radar. She advised that the Board and the residents need to let consultants do what they have to do to get started on the process. She further noted she does not want to raise taxes and they have no commercial properties to get revenue from.

Ms. Lewis stated that the Board should not vote on the new development until after the election. Director Johnson-Preston noted they would defer the discussion about DR Horton. Director Garrett and Director Moses suggested the Board defer the DR Horton feasibility study until after the election. Director Cummings noted they will have to talk about it in the future because the tract in question is inside District bounds and they cannot deny DR Horton utilities.

Ms. Angeannette Thibodeaux introduced herself and stated she was running for the Texas House of Representatives to represent District 139. She noted she comes with 25 years of public sector knowledge and after millions of dollars of homeowner revitalization in the state of Texas. She noted she did all of that without the title of a House Representative and asked the residents to imagine how much more she could achieve with the title. She noted she has four degrees of credited knowledge and a lot of experience. She explained she was Vice-President of Bank of America, Executive leader in General Motors, and has a lot of experience in the public sector, including her involvement with the Investment Act. She stated she wants to bring all that experience and knowledge into the local communities in re-entry, public safety, education, teachers' wages, and more.

Ms. Charlene Ward Johnson introduced herself and stated she was running for the Texas House of Representatives to represent District 139. She stated she wanted to increase community safety and lower medicine costs. She explained she has served on multiple boards, has done a lot of community service and events for seniors, and worked in corporate America for 30 years in the energy business. She noted diversity has been taken away from them for scholarships and they need someone who understands their issues and can help fight for them.

PRESENTATION REGARDING AWBD

Mr. Ellis introduced himself and stated that AWBD's mission is to educate, advocate, and unify. He noted AWBD is composed of 600 municipal utility districts, and they are a non-profit membership-based organization. He advised they host two conferences a year which have around 1,300 attendees. He explained they bring professionals, including former Directors and consultants, to the conferences to educate people, from beginners to experts. He noted there is always something to learn and that it is also a great networking opportunity. He advised AWBD provides Director 101 courses and recently launched Director 202 for those who want to expand their knowledge to the next level. Then, he advised how important advocacy is. He noted AWBD sends attorneys to testify on issues relevant to water districts during the legislative session and serve as a unified voice to do

what is right for the industry. The Board thanked Mr. Ellis and Ms. Cavnar for attending the meeting. Ms. Lewis addressed the Board and asked them to defer any more education. Mr. Arce noted the public comments portion of the meeting was over.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered for approval the regular meeting minutes for January 18, 2024, and the special meeting minutes for January 25, 2024. Mr. Garrett and Mr. Allen noted the past minutes did not include Mr. Allen’s comments during the public comments section. Mr. Roach assured him the minutes did include his comments and handed him a copy. The approval of the minutes was deferred.

BOOKKEEPER’S REPORT, INCLUDING TRANSITION MATTERS

Mrs. Ray presented the Bookkeeper’s Report, attached hereto as **Exhibit “A”**. Mrs. Ray noted a few items were missing to finish the bookkeeping transition and the transition to an e-system. Director Moses inquired why the report was late and noted the invoices are supposed to be due on the 8th of each month. Mrs. Ray noted the Operator’s Report and invoices were late so the Bookkeeper’s Report was delayed and advised that they might change the date to the 5th of each month, so they have more time to do their report. Director Garrett noted the Board is only supposed to meet once and they are not supposed to have many different meetings each month. He also noted the District’s Attorney’s last invoice was late. He noted the District is paying the District’s Attorney around \$375,000 a year and \$1,200 for every meeting. Mr. Roach noted the money is not just for the meetings but for all the work done behind the meetings. He advised that the District’s Attorney was only behind on one invoice.

Director Caesar stated the former Bookkeeper must be given a deadline to get everything to the District’s Bookkeeper for the transition. Mrs. Ray confirmed she has everything from the former Bookkeeper but there are other things to be reconciled from the last two years as well as the journals and tax forms. She noted two years of bookkeeping was not done properly. She also stated there are two audits due that they are working on with the auditor and warned the Board that the auditor will find many issues and inconsistencies in the audits. Mr. Ray clarified that finding issues with the financials of the District does not mean that there was theft or illegal activities but can sometimes just be a reflection of a lack of efficiency and internal controls. Mrs. Ray advised that the past taxes had issues, but they have now set up an automated process with the Internal Revenue Service (“IRS”) and that they are holding the former Bookkeeper’s check so that any penalty from the IRS can be deducted.

After no further discussion, Director Caesar made a motion, seconded by Director Garrett, to approve the Bookkeeper’s Report and all checks contained therein. The motion passed unanimously.

SUPPLEMENTAL AGENDA

Mr. Roach presented the Supplemental Agenda, attached hereto as **Exhibit “B”**. He noted the District is having a Board of Directors Election on May 4, 2024, and explained that Harris County (“the County”) is not running Joint County Elections, which means that they need to

designate an Election Agent, Election Officials, a polling location, and early voting hours.

Director Cummings made a motion, seconded by Director Caesar, to approve the Order Calling Election. The motion passed unanimously.

Mr. Roach stated the Board needed to designate an Election Agent and noted that usually the District's Attorney is designated for that position. Director Garrett asked what the Election Agent does, and Mr. Roach explained the Election Agent does all the paperwork necessary for the election and makes sure that the election complies with the Secretary of State's and the County's requirements. He clarified that the Election Agent would not work the polls; the Election Agent would just be in charge of all the paperwork and planning that goes behind the scenes. Director Garrett noted he wanted the District to rent out electronic voting equipment from the County for the ballot counting. Mr. Roach noted he had already contacted the County and the two electronic voting system vendors in Texas, and they all said they do not rent out equipment; they only sell it for bigger elections. Discussion ensued regarding the early voting hours and the polling place.

Director Cummings made a motion, seconded by Director Caesar, to designate 1) the District's Attorney as the Election Agent; 2) the Administration Building as the polling location; and 3) early voting hours from 8:00 a.m. to 12 p.m. and 1:00 p.m. to 6:00 p.m. The motion passed unanimously.

Mr. Roach stated the Board needed to designate two Election Officials to work the polls, noting they could not be District employees, family members, or Directors, and had to be registered voters in the District. The Board concurred to designate an election committee, composed of Director Garrett and Director Cummings, to decide who the Election Officials would be.

Mr. Roach stated the Board needed to decide what compensation the Election Officials would receive for their service, noting there was a \$7.25 per hour minimum. Director Garrett made a motion, seconded by Director Cummings, to compensate Election Officials with \$15 per hour. The motion passed unanimously.

MINUTES OF PRIOR BOARD MEETINGS CONTINUED

Mr. Allen confirmed the minutes did reflect what he said at the January 18, 2024 meeting. Director Garrett made a motion, seconded by Director Cummings, to approve the regular meeting minutes for January 18, 2024, and the special meeting minutes for January 25, 2024. The motion passed unanimously.

SECURITY REPORT

Constable Rojas reported incidents in the District from the preceding month.

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 Caesar and passed unanimously.

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 improvements to the District's water system are recommended to create a looped system to serve Silverglen North and asked for Board approval to go forward with the design. Mr. Bowlin noted discussions have taken place with Rankin Road West Municipal Utility District ("RRWMUD") about a portion of the water line along TC Jester that RRWMUD does not need. RRWMUD offered to sell that portion of the waterline to the District for \$6,535.57. He noted that the waterline was installed in 1985, and it would require approximately \$32,000.00 to construct today. Mr. Bowlin recommended the Board purchase this segment of the waterline.

b) Water Plant Improvements, noting the contracts are ready for Board execution.

c) Rehabilitation of lift station at Wastewater Treatment Plant ("WWTP"), noting the project is complete and that Gilleland Smith Construction, Inc. ("GSC") has submitted the final Pay Request No. 7 in the amount of \$66,002.10. Mr. Bowlin asked for Board approval and noted the amount includes a reduction for items not used in the contract.

d) Silverchase Meadows Park Project, noting there was no update.

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

f) Wastewater Treatment Plant Access Road, noting the plans for the access road east of the extreme event overflow swale are nearly complete and should be ready for submittal to the County next week.

g) Proposed WWTP Expansion Project, noting there was no update.

h) CHCRWA, noting the CHCRWA has been contacted on reimbursement, and has provided documentation that needs to be executed.

i) 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. Bowlin noted the design engineer is requesting a capacity letter for submittal to the City of Houston and the County. Director Garrett noted April Wind came and said they would make single-family homes and it is a mess now.

j) Other District Matters, noting the District's Capital Improvement Plan has been updated and is attached. Mr. Bowlin also advised the District needed to start thinking about the District's depleting account, noting they had around \$7 million left. He suggested holding a bond election for the November election cycle.

Director Cummings made a motion to approve 1) the waterline extension looped system; 2) the purchase of RRWMUD's water line for \$6,535.57; 3) the execution of contracts for the water plant improvements; 4) the final Pay Request No. 7 for \$66,002.10 payable to GSC; and 5) the Engineer's Report. The motion was seconded by Director Caesar and passed unanimously.

Director Caesar inquired why RRWMUD's water line is so cheap. Mr. Bowlin explained that RRWMUD cannot make a profit on it and must sell it at the same price they bought it. Director Caesar inquired about the CHCRWA reimbursement and noted it was hard work for Mr. Roach to accomplish it and that it is important for the Board to recognize it. Mr. Roach stated that he submitted the reimbursement request and the CHCRWA denied it for six months, but he kept pushing until they agreed to reimburse most of it. He noted the total sum that will be reimbursed is \$284,507.45. Director Cummings made a motion, seconded by Director Garrett, to approve the reimbursable amount of \$284,507.45 from the CHCRWA. The motion passed unanimously.

DROUGHT CONTINGENCY PLAN ("DCP")

Mr. Bowlin noted he reviewed the DCP and provided his recommendation to add a section to reference the CHCRWA.

DETENTION & DRAINAGE FACILITIES REPORT

Mr. Grey presented the Detention & Drainage Facilities Report, attached hereto as Exhibit "E". Director Cummings asked how the rain affected the facilities, and Mr. Grey stated there were no major issues. A discussion ensued regarding Ms. Lewis's concerns with the trees, as mentioned during public comments, and Mr. Grey confirmed he would contact her about it.

OPERATOR'S REPORT

Mr. Rojas presented the Operator's Report, attached hereto as Exhibit "F", including updates on repairs and other action items. After no further discussion, Director Cummings made a motion, seconded by Director Caesar, to 1) authorize the District's Operator to bring back the delinquency list; 2) continue working on the deficiencies from the 90-day assessment with the total cost not to exceed \$10,000 before the Board's next meeting; and 3) approve the Operator's Report. The motion passed unanimously.

ANNUAL SURVEY OF WAGE RATE SCALES

Mr. Roach stated the Board is required to annually adopt wage rate scales and noted that the District currently utilizes the same wage rate scales for construction projects as the County. After a brief discussion, Director Cummings made a motion, seconded by Director Johnson-Preston, to

continue using the same wage rate scales as the County, and to adopt a resolution accordingly. The motion passed unanimously.

ADMINISTRATION BUILDING & RECREATIONAL FACILITIES REPORT

Director Moses stated the Administration Building signs are not very aesthetically pleasing and that she wants to improve them. She noted there were many issues with the gates being easily opened, that homeless people were coming in, and other potential illegal activity could occur. She advised that law enforcement should be monitoring the gate. She also noted she wants to get a generator for the Administration Building. Director Johnson-Preston noted the residents have been complaining about the gate and suggested they get a sliding door to prevent people from breaking in. Director Garrett inquired why the police did not get involved in that and asked about Mr. Lam and the surveillance company. Director Johnson-Preston noted she would contact Mr. Lam about the surveillance equipment. Director Caesar noted they should not hire anyone to manage the marquee sign because they already have employees who could do it. Mr. Arce noted the marquee sign company might offer training on how to use the sign. Director Moses advised she has been updating the marquee sign.

ATTORNEY'S REPORT

Mr. Roach explained what the District's 2024 Master Calendar was and noted it would be sent out in the next couple of days. He then noted the Board had the opportunity to nominate a representative to be on the CHCRWA Board of Directors. He advised that the CHCRWA's Board of Directors Election will be on May 15, 2024, and the deadline to nominate someone from the District was February 15, 2024. Ms. Lewis and Ms. Darnell showed interest in the position. After some discussion, Director Garrett made a motion, seconded by Director Moses, to nominate Ms. Lewis for the CHCRWA Board of Directors. The motion passed 4-1 with Director Caesar abstaining.

Mr. Roach stated the CHCRWA increased their fees from \$3.789 to \$4.04 per 1,000 gallons. He noted the Board could decide whether to adopt the fee increase and note the increase in the residents' monthly bills. Director Garrett noted residents' bills were too high already and that he has been trying to lower their bills and amend the Rate Order for years, but claimed the Board does not want to do it. Director Johnson-Preston noted they would discuss the Rate Order, but other factors had to be figured out first, including the budget, before amending the Rate Order. Director Garrett made a motion, seconded by Director Moses, not to adopt the CHCRWA increase. After some discussion, the motion failed (2-2-1) with Director Johnson-Preston and Director Cummings abstaining and Director Caesar opposed until the District's budget is finalized and the Board has all the information needed to amend the Rate Order, and because the CHCRWA will continue to increase their fees.

Mr. Roach noted residents had shown concern over the District not doing anything to improve the water quality and advised that Mr. Arce drafted a summary of what has been voted on and achieved over the last few months to improve water quality. Mr. Roach went over the summary and noted the motions and actions that have been taken in the last few months, including booster pump repairs, new water equipment, air rehabilitation, the 90-day assessment priority items, etc.

EXECUTIVE SESSION

The Board did not enter executive session.

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

After no further discussion, Director Moses made a motion, seconded by Director Garrett, to adjourn the meeting, which passed unanimously.

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Approved this 21st day of March 2024.

/s/ Rosalind Caesar
Secretary, Board of Directors



LIST OF EXHIBITS

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