

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304
Minutes of Meeting of Board of Directors
January 16, 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 thus constituting a quorum.

Yvonne Luevano of Wheeler & Associates, Inc. (the “District’s Tax Assessor” or “Wheeler”); Juan Rojas of Precision Utility Services, LLC (the “District’s Operator” or “Precision”); Nannette Ray and Terrance Ray of TNR Advisors & Management Consultants, LLC (the “District’s Bookkeeper” or “TNR”); Frank Mitchell and Daniel Scruggs of Mitchell, Zientek & Scruggs, LLP (the “District’s Attorney” or “MZS”); Diondria Smith, Maria Sorto, and Juan Galvan of TXMGMT, LLC (“TXMGMT”); Chip Patronella of Champions Hydro-Lawn, Inc. (“Champions”); Cameron Thatcher of Huntington Securities, Inc. (“HSI”); Officers of the Harris County Precinct 4 Constable’s Office (“HCCO4”); Officer representative of Willsher Security, LLC (“Willsher”) Michael Willett of Touchstone Communications (“Touchstone”); and various members of the public.

PUBLIC COMMENTS

Mrs. Newsome addressed the Board and asked that she be provided with a copy of the minutes from the meeting where the money for Silver Glen West was removed from the budget and also asked for a copy of the first bookkeeper’s report as of when TNR became the District’s bookkeeper.

MINUTES OF PRIOR BOARD MEETING(S)

Mr. Mitchell advised that the prior meeting minutes from December 19, were distributed for review and approval. Director Mayo made a motion to approve the minutes as presented, and said motion was seconded by Director Ford. The motion passed 3-2 with Directors Allen and Moses opposed.

AUTHORIZE REQUEST FOR PROPOSALS FOR NEW LEGAL COUNSEL

Director Moses read a prepared statement noting how disturbed she is with the division the attorney has created amongst the board and the community. Director Moses voiced concerns with excessive legal fees, how legal counsel engage in a conspiracy in the removal of an elected official from the board under false allegations of nepotism and

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character assassination brought by another board member. Director Moses stated that legal counsel was provided documentation proving a director was disqualified due to moving out of Harris County, which legal counsel chose to ignore so that they would have 3 votes deemed needed to remove a government official and replace them with a civilian of their choosing, based on legal counsel own 2-week investigation which did not include speaking with the accused. Director Moses stated that because of actions under the guidance of legal counsel, the district is now engaged in a lawsuit. Director Moses spoke on another issue of concern that individuals have been seated on the board and legal counsel never administered to them an Oath of Office, which is a violation of the State Constitution which clearly states that all government elected or appointed officials are required to take an oath of office prior to service. Director Ford noted that Director Moses' concern with seeking new legal counsel was only based on the lawsuit and felt that we would not be able to hire new counsel.

LAW ENFORCEMENT REPORT

Sergeant Berkheimer presented the Law Enforcement Report and gave an update on activities within the District. He gave some information as requested by Director Moses regarding the Flock cameras. Director Allen made note of some speeding vehicle complaints near a school zone. Member of the public noted that she has found officers playing on their phones or sleeping on-duty. The representative from Willsher then addressed the Board and noted that Mr. Hodge was unable to attend the meeting. Director Moses voice concerns with Mr. Hodge of Willsher avoiding attending meetings over the past 2 months, since he was asked to present a report of his service. Motion was made to terminate the private security contract. Director Ford felt that the owner needed to be present and requested that he is to attend the next meeting. The item was tabled for the time being.

COMMUNICATIONS CONSULTANT REPORT

Mr. Willett presented the communications report. He gave an update on some tips that were added to the website regarding winterizing homes. Director Allen then asked if his District email account was active. Director Moses asked the same and asked them to confirm all of her old emails were migrated to her current account. Director Mayo motioned to accept the communications report. The motion was seconded by Director Scott and passed unanimously.

RATE STUDY PRESENTATION

This item was deferred and Mr. Mitchell will try and coordinate a date in late January or February for a special meeting so the results can be reviewed by the Board.

TAX ASSESSOR'S REPORT, INCLUDING DELINQUENCIES

Ms. Luevano presented and reviewed the Tax Assessor's Report; a copy is attached as Exhibit "A". She gave an update on the delinquent accounts for the district and status of

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collections. Ms. Luevano noted that there were no items of significance to discuss. Director Allen then motioned to approve the Tax Assessor's Report, including payment of invoices. The motion was seconded by Director Mayo and carried unanimously.

CONSIDERATION OF GRANTING EXEMPTIONS FROM TAXATION FOR 2025

Mr. Thatcher presented a tax exemption analysis and discussed the impact of various exemptions to the District's financial position. He noted that the District currently offers only a \$5,000 exemption for over 65 or disabled. After some discussion, Director Allen motioned to keep the exemptions the same for 2025. The motion was seconded by Director Mayo and passed unanimously.

ADOPT RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Mitchell explained that this was an annual item for consideration and noted that the Tax Code allows for the District to impose an additional penalty of up to twenty percent (20%) on delinquent tax payers for personal property taxes to defer the costs of collections to the delinquent taxpayer. Director Mayo, seconded by Director Scott, motioned to approve the Resolution Authorizing the Additional Penalty. The motion passed unanimously.

BOOKKEEPER'S REPORT

Mrs. Ray presented the bookkeeper's report and the invoices and payments therein, a copy is attached as **Exhibit "B"**. She noted that the District had received a bill from AT&T and that she had worked with the operator and engineer to determine it was from a component at the water plant. It is still being researched by them but it is likely that it will not be needed. Director Moses made a motion to approve the report and payment of the checks therein. The motion was seconded by Director Allen and passed unanimously. There was then some discussion about the District's policies and procedures about paying vendors in cash and then getting reimbursement. After lots of deliberation, Director Ford made a motion to no longer allow Board members to pay vendors in cash and get reimbursed. The motion was seconded by Director Allen and passed unanimously. Director Moses presented a handwritten receipt showing a payment to a vendor in cash by a director, where she requested clarity from the bookkeeper as to when it is paying in cash for services ok. Director Moses concerns regarding taxes being paid on purchases, and clarity on who and how to use the tax exemption was resolved.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Patronella presented the detention and drainage facilities report with some photographs of the facilities.

DISCUSS AND APPROVE REPAIR/REPLACEMENT OF DISTRICT OWNED FENCE(S)

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There was some discussion about needed repairs to some District fences. Mr. Bowlin noted that he was confirming the ownership of the fences and would put together a list of District owned fences.

ENGINEER'S REPORT

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

- a. Water Distribution Improvements, advised that two of the three easements are being recorded with the third easement from Laurel Oaks been approved but not yet provided. He noted we are waiting on a response from the HOA regarding the MZSLLP comments.
- b. Water Plant Improvements, noting that the contractor is waiting on the valve to be delivered from the manufacturer. The improvements are anticipated to be completed in the next few weeks.
- c. Water Plant Fencing Renderings and preliminary construction costs were presented.
- d. District Trails, noting that the trails will be reinspected upon completion of the land transaction and that the owner is closing out tax statements.
- e. Wastewater Treatment Plant ("WWTP") Access Road Repair, Mr. Bowlin explained that the construction drawings for the access road were submitted to Harris County Flood Control for review. Comments were received and are currently being reviewed and addressed.
- 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. Bowlin noted the construction drawings can be created parallel to submitting the permit. He further explained that the plant will take approximately one (1) year to complete.
- g. April Wind Drive, noted the construction drawings were received for the development of nine lots in Silverglen West. Comments were received and were provided. An updated set of construction drawings have been submitted for review with additional comments.
- h. Silverchase/Silverglen Construction drawings were completed and sent to Harris County Engineering and Harris County Flood Control for review.
- i. Other District Matters, Mr. Bowlin reviewed a small, proposed 4-acre development and showed the Board a site plan. He explained the feasibility process which would follow, including a review of the home designs planned.

After no further discussion, Director Allen made a motion to approve the Engineer's Report. The motion was seconded by Director Moses and passed unanimously.

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FINANCIAL ADVISOR'S REPORT

Mr. Thatcher advised there were no other items to cover other than what he spoke about earlier. There was no additional action needed at this time.

OPERATOR'S REPORT

Mr. Rojas presented the Operator's Report, attached hereto as **Exhibit "D"**, including updates on repairs and other action items. He provided an update on the Drought Contingency Plan and the timing that necessitated the adoption of the new plan. He recommended no changes to the current plan. There was extensive discussion regarding some of the PULLC billing. Mr. Mitchell then updated the Board on a letter received by PULLC regarding a "sovereign citizen" who is not wanting to pay for water. The Board agreed to proceed as normal and cut off as necessary. Director Allen asked for a copy of the letter and expressed he would try and talk with the person. Mr. Rojas then provided an update on the winter storm preparations that have been made at the facilities. Director Mayo made a motion to accept the report and approve cut-offs and authorize filing of the Drought Contingency Plan with the TCEQ. The motion was seconded by Director Ford and passed unanimously.

GENERAL MANAGER'S REPORT

Mr. Galvan presented the General Manager report. He discussed some of the vendors that TXMGMT most often uses and said he could provide a list for Directors to review. There was some discussion regarding procedures for returning deposit checks after events including some confusion over likely non-resident rentals. Mr. Galvan then presented a new time keeping hardware at the building to better track the hours of his employees at an additional cost of \$50 per month. Director Ford then asked about receiving a report in the future about events that could detail for the Board the costs of the event, attendance, etc. Director Moses then made a motion to accept the report and approve the costs for the time keeping hardware. The motion was seconded by Director Mayo and passed unanimously.

CONSIDER RE-COMPOSITION OF BOARD OFFICER POSITIONS

Director Scott made a motion keep the Board officer positions the same. The motion was seconded by Director Mayo. Discussion then ensued related to the composition of the District Board officer positions. Director Moses stated that the officer positions are supposed to be changed after an election or appointment of new Board member and it has not happened since she was reappointed to the Board. Director Ford then discussed her position as Board secretary and expressed some concerns. The motion was withdrawn and the item was deferred.

DISCUSSION RELATED TO DIRECTOR LIASION POSITIONS

The Board concurred to defer this item.

DIRECTOR'S UPDATES

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The Board also concurred to defer this item.

ATTORNEY REPORT

Mr. Mitchell noted that the District insurance is up for renewal by the end of March. He asked the Board if they wanted to request proposals from other providers or just a renewal quote from A.J. Gallagher. The Board concurred to just get a renewal proposal from their current policy provider. Mr. Mitchell then explained the requirements regarding filing of the annual disclosure report. Director Mayo motioned and Director Scott seconded for MZS to coordinate filing of the report. The motion passed unanimously. Finally, Mr. Mitchell explained the requirement to file an annual eminent domain report with the Comptroller's Office. Director Ford made a motion to authorize filing of the report. Director Mayo seconded the motion which passed unanimously.

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

The Board discussed the need for a special meeting to discuss the rate study. The next regular meeting will be scheduled for February 20, 2025.

EXECUTIVE SESSION

The Board entered into executive session at 8:52 p.m. for consultation with attorney. Director Moses agreed to be excluded from the discussion.

RECONVENE IN OPEN SESSION / ATTORNEY'S REPORT

The Board reconvened in open session at 8:55 p.m. There was no action necessary at this time.

ADJOURNMENT

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

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Approved this 20th day of February, 2025.

/s/Sandra Ford
Secretary, Board of Directors



LIST OF EXHIBITS

- Exhibit A - Tax Assessor's Report
- Exhibit B - Bookkeeper's Report
- Exhibit C - Engineer's Report
- Exhibit D - Operator's Report