

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304

Minutes of Meeting of Board of Directors

October 2, 2024

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 304 (the “District”) held a special 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
Elise Byrd	-	Assistant Secretary

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

Also present were Jared Bowlin of EHRA Engineering (the “District’s Engineer” or “EHRA”); Isabel Mata 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, representatives 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”); Chip Patronella of Champions Hydro-Lawn, Inc. (“Champions”); Diondria Smith and Maria Sorto, Administrators of the District Administrative Building; Officers of the Harris County Precinct 4 Constables Office (“HCCO4”); Willie Hodge of Willsher Security, LLC (“Willsher”); Cameron Thatcher of Huntington Capital Markets (“Huntington”); Bear Oakley of Acclaim Energy (“Acclaim”); and various members of the public.

PUBLIC COMMENTS

The Board was addressed by several members of the public. Pastor Michael Pender of Fallbrook Church addressed the Board about concerns with smalls from the WWTP and requested that further action be taken soon. The Board noted that there is an agenda item later in the meeting to address the matter. There was then discussion about when the regular meetings will be held and what the legal requirements are. LaFrances Moses addressed the Board and discussed concerns with prior minutes and a question related to the attorney invoice.

MINUTES OF PRIOR BOARD MEETING(S)

Mr. Mitchell advised that the prior meeting minute drafts were distributed for review and approval. Director Scott made a motion to approve the minutes as presented. The motion was seconded by Director Ford and passed 4-1 with Director Allen abstaining.

RECEIVE INFORMATION FROM ACCLAIM ENERGY:

Mr. Oakley addressed the Board and presented a proposal related to their current energy management agreement. He reviewed their current usage and rates and discussed the new proposal benefits. There was some discussion about meter additions. After

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discussion, a motion was made by Director Mayo, seconded by Director Scott to approve the amendments to the energy management agreement subject to final review by legal. The motion passed 4-1 with Director Allen abstaining.

TAX ASSESSOR'S REPORT, INCLUDING DELINQUENCIES

Ms. Mata 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 collections. After no discussion, Director Scott motioned to approve the Tax Assessor's Report, including payment of invoices. The motion was seconded by Director Mayo and carried unanimously.

LAW ENFORCEMENT REPORT

Sgt. Berkheimer presented the law enforcement report and gave an update on activities within the District. He noted that the new law enforcement agreement had been approved by commissioner's court and was sent to the attorney. Mr. Hodge then presented the security patrol report and discussed his staff and their roles. There were no further questions or action items for the Board.

RECEIVE FINANCIAL ADVISOR'S TAX RATE ANALYSIS AND RECOMMENDATION

Mr. Thatcher presented a tax rate analysis and recommendation to the Board for the proposed tax rate to publish. Mr. Mitchell discussed the two step process that the Board will need to complete with the first step being to approve the publication of the proposed tax rate. Mr. Thatcher noted what the current certified values are in the District. Director Byrd then asked what the process involved in determining if the District is developed or developing. Mr. Bowlin explained the calculations and how that is determined. Mr. Thatcher then discussed the current and contemplated debt obligations of the District and suggested a debt service rate of \$0.258000 and M&O rate of \$0.386818 for a total proposed tax rate of \$.0644818. After discussion, a motion was made by Director Mayo to authorize publication of the proposed \$0.644818 tax rate and adoption of the resolution declaring the district as a developing district. The motion was seconded by Director Allen and passed unanimously.

BOOKKEEPER'S REPORT

Mrs. Ray presented the report, attached as **Exhibit "B"**, and monthly invoices for payment. After reviewing the monthly report with income and expenses there were no unusual expenses to discuss. Director Scott made a motion to approve the report as presented and authorize payment of the invoices included. Said motion was seconded by Director Ford and passed unanimously. Mrs. Ray then presented the investment reports including her recommendation to move some investments from TexPool to TexClass in order to capture some better interest rates. A motion was made by Director Allen and

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seconded by Director Byrd to approve the changes. The motion passed unanimously. There was then some discussion regarding the billing procedures for vendors and TXMGMT and the Board and consultants concurred on the proper process.

ENGINEER'S REPORT

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

- a. Water Distribution Improvements, He noted that he is still working with MZSLLP to obtain the necessary easements for the project. Mr. Mitchell explained that the easements have been prepared and we are just wanting to confirm the execution with the HOAs.
- 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. two (2) in the amount of \$22,500 for approval.
- c. Silver Chase Meadows Park Project, noting Wild Magnolia Landscaping, LLC ("WML") has substantially completed the park, and submitted Pay Request No. nine (9) and final for \$30,452.56.
- d. District Trails, noting the owner is still involved in the tax suits and MZSLLP will be reaching out to further communicate and see where the status is.
- e. Wastewater Treatment Plant ("WWTP") Access Road Repair, Mr. Bowlin noted that he has discussed the matter with Harris County Flood Control and their request for an inter-local agreement. He also confirmed that it will be a crushed granite type road rather than a paved surface.
- 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 existing permit is being renewed and is currently being publicly advertised.
- g. April Wind Drive, noted the construction drawings were received for the development of nine lots in Silverglen West. Mr. Bowlin discussed the project overall with the Board and there were some questions about whether or not the property was already in the boundaries of the District and how the billing is carried out. There were some additional questions about annexation.
- 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

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lines within the easement. Once approvals are obtained, plans will need to be submitted 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.
- j. Update on Proposed Series 2025 Bond Issuance, Mr. Bowlin presented a summary of costs of the proposed bond issuance and noted that the application was being prepared. Director Byrd asked about the site on Spears Rd. There was notation that it would be discussed further in executive session. There were also some discussions about a GIS program for the District and the benefits of such.

After no further discussion, Director Allen made a motion to approve the engineer's report including approval of the Pay Applications included therein. The motion was seconded by Director Ford and passed unanimously.

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 water issues with the District and various reports that were completed. The valve and hydrant survey is underway and is about 40% completed. He noted that the WWTP Odor Control equipment has been on back order but is scheduled to be completed the week of September 16th. Several areas of sidewalk and curb are currently under repair as previously authorized by the Board. The service line lead and copper inventory project is reported to be about 60% complete. Mr. Mitchell asked Mr. Rojas to confirm that the project will be completed and the District will be in compliance before the required reporting deadline and he confirmed that it would. Additional locations for sidewalk repairs will be identified. Pay Application # two (2) was presented for payment on the Lift Station generators. Mr. Rojas then presented the normal reporting metrics related to the plants and the cut-off list. Director Ford asked about some high delinquency amounts on the report and asked why they were allowed to get so far above the deposit amounts. Mr. Rojas said he would look into it and have an answer at the next meeting. Director Scott then made a motion to accept the report and approve the Pay Application # 2 and cut-off list. The motion was seconded by Director Byrd and passed unanimously.

GENERAL MANAGER / ADMINISTRATION BUILDING AND RECREATIONAL FACILITIES REPORT

Mr. Galvan presented a report and reviewed concerns related to future repairs and expenditures needed at the building. There was then some discussion about the procedures for paying vendors and the differences regarding expenses. The suggestion was to clarify what expenses are and to amend the contract to only allow up to \$500 in expense reimbursements at a time. There was also discussion about amending the contract to allow coordination of repairs up to \$5000 with the approval of the building liaison. A motion was made to allow those amendments to the contract by Director Mayo and seconded by Director Byrd. The motion passed unanimously. Mr. Galvan

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then asked about charging an additional administrative fee for moving money around in his accounts to cover advanced payments. The Board disallowed such a change and noted that the meetings are planned to occur on a regular basis going forward and there should be no need for such a change. Mr. Galvan then presented a list of items to be declared surplus property along with the estimated fair market values of such items. There was some discussion of the rules related to surplus property and the de minimus value exception. Director Byrd made a motion to approve the list and adopt an order declaring the items a surplus and to be disposed of under the de minimus value requirements. The motion was seconded by Director Scott and passed unanimously. Finally, Mr. Galvan presented a proposal for the replacement of the HVAC system. The Board chose to table that item at this time.

DIRECTOR UPDATES

Director Ford discussed all the vendor meetings she held and provided updates on specifically the WWTP access road and the landscaping. Director Byrd further expanded on that sentiment. She further discussed the grant writing company she found and what those options could be, noting she would come back at a later time. Director Ford noted that she attended some AWBD seminars and she discussed items related to sewer maintenance. Director Byrd wanted to consider a presentation to the public of what the consultants and the District do on a regular basis. Mr. Mitchell noted that other clients sometimes hold townhalls and such and noted the benefits of those in helping get out information to the community. There were no action items at this time.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Patronella presented the report and some photographs, Exhibit "E". There were no issues to report. After no questions from the Board, Director Garrett made a motion to approve the report. The motion was seconded by Director Mayo and passed unanimously. He noted an issue with a fence line in Silver Chase Meadows with some vegetation and presented two proposals for the removal. Director Ford asked about the necessity of MZSLLP sending any letters. After further discussion, Director Mayo made a motion to accept both proposals and approve the report. The motion was seconded by Director Ford and passed unanimously. There was then some discussion about some fencing in disrepair at one of the District facilities. There was some discussion about security concerns and compliance issues. Director Byrd asked about having Silverglen providing some notices and posting no trespassing signs. Mr. Bowling noted he would review the situation and provide some pricing on signage and other options for repair or replacement.

UPDATE ON RATE STUDY FROM SUPERIOR MANAGEMENT

Mr. Mitchell noted that he had spoken with Mr. Givens and the initial study is complete and presented some date options for the Board to hold a special meeting to discuss. The Board decided to tentatively schedule a special meeting for October 8th regarding this issue.

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ATTORNEY'S REPORT

Mr. Mitchell noted there were no additional items to discuss of a legal nature except a couple of things for executive session.

EXECUTIVE SESSION

The Board entered executive session at 8:29 p.m. for consultation with attorney and real estate matters.

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

The Board reconvened into open session at 9:10 p.m. Director Mayo made a motion to add a presentation from DR Horton to the next meeting agenda. Director Scott seconded the motion and it passed unanimously.

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

There were no additional requests at this time and the meeting was adjourned.

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Approved this 24th day of October, 2024.

/s/Sandra Ford
Secretary, Board of Directors



LIST OF EXHIBITS

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