

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 396  
January 9, 2019

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 396

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The board of directors (the "Board") of Harris County Municipal Utility District No. 396 (the "District") met in regular session, open to the public, at the offices of Norton Rose Fulbright, 1301 McKinney Street, Houston, Texas, on January 9, 2019, at 12:00 p.m.; whereupon the roll was called of the directors, to-wit:

Aldru Todd Aaron, President  
Michael Brewer, Vice President  
Chelsea Florack, Secretary  
Tim Applewhite, Treasurer  
James Brown, Assistant Secretary

All members of the Board were present. Also attending all or portions of the meeting were Ms. Robin Goin of Bob Leared Interests, Tax Assessor and Collector for the District; Ms. Kim Shelnut of Myrtle Cruz, Inc., Bookkeeper for the District; Ms. Cindy Fields of Brown & Gay Engineers, Inc. ("BGE"), Engineer for the District; Ms. Janet Dolan of Inframark Water Infrastructure Operations ("Inframark"), Operators for the District; Mr. Bill Wilson, resident of the District; Ms. Julie Peak of Masterson Advisors ("Masterson"), financial advisor for the District; and Ms. Kathleen Ellison and Ms. Amanda Dykmann of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

The meeting was called to order and, in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as Exhibit "A", the following business was transacted:

1. **Minutes.** The President opened discussion of the minutes of the meeting of December 12, 2018, previously distributed to the Board. Upon motion by Director Florack, seconded by Director Brewer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes, as presented.

2. **Approve Bookkeeper's Report, Payment of Bills, Including Review of Budget, Investment Report and Policy, and Any Necessary Changes.** The President recognized Ms. Shelnut, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "B." Ms. Shelnut presented sixteen checks and three deposit refunds for the Board's approval.

Ms. Shelnut reported two Certificate of Deposits ("CDs") will be maturing before next month's meeting. She stated she discussed investments with Director Applewhite. It was the consensus of the Board to renew both CDs for a one year term at the highest rate available.

Upon motion by Director Brown, seconded by Director Florack, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's

Report, to authorize payment of the expenditures listed therein, and to authorize renewing two CDs for a one year term at the highest rate available.

3. **Other Consultant and Director Reports.** The President recognized Ms. Peak, who presented to and reviewed with the Board a Summary of Refunding Bonds, a copy of which is attached hereto as Exhibit "C." Discussion ensued regarding refunding the District's outstanding Bonds. Upon motion by Director Brown, seconded by Director Applewhite, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Masterson Advisors to prepare documents to begin the process of refunding the District's outstanding Bonds.

4. **Public Comments (3 minute limit).** The President recognized Mr. Wilson who stated he met with Fairfield's State Representative.

5. **Tax Assessor-Collector's Report, payment of bills, including any necessary requests for estimates of value, and water termination.** The President recognized Ms. Goin, who presented to and reviewed with the Board the Tax Assessor-Collector's Report for December, a copy of which is attached hereto as Exhibit "D." Ms. Goin reported that 72.8% of the District's 2018 taxes had been collected as of December 31, 2018. Ms. Goin presented four checks and two wire transfers for the Board's approval.

Upon motion by Director Brown, seconded by Director Florack, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor-Collector's Report and to authorize the expenditures listed therein.

6. **Authorize additional penalty on delinquent taxes.** Ms. Ellison presented to and reviewed with the Board a Resolution Authorizing Additional Penalty on Delinquent Taxes, a copy of which is attached hereto as Exhibit "E." Discussion ensued.

Upon motion by Director Florack, seconded by Director Brewer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Resolution Authorizing Additional Penalty on Delinquent Taxes.

7. **Operator's Report, authorization of maintenance and termination of accounts.** The President recognized Ms. Dolan, who presented to and reviewed with the Board the Operator's Report for December, a copy of which is attached hereto as Exhibit "F."

Ms. Dolan stated that the Fairfield Districts' accountability for December was 99.71%.

Ms. Dolan stated that there are 24 delinquent accounts that will be tagged on January 17 and turned off on January 23.

Ms. Dolan reviewed the Fairfield call report and the District call report with the Board.

Upon motion by Director Brown, seconded by Director Florack, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report and terminate the delinquent accounts in accordance with the rate order.

8. **Engineer's Report, authorization of any necessary engineering work or stormwater pollution prevention services.** The President recognized Ms. Fields, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "G." Ms. Fields said the annexation of a 1.233 acre tract for a proposed Olive Garden restaurant is complete. She updated the Board on the Schiel Road widening project.

Ms. Fields reported the Joint Operations Board authorized Inframark to proceed with cleaning and televising the three oldest portions of the Regional sanitary sewer. She stated traffic control measures are anticipated to be utilized during this work.

9. **Report on Joint Operations Council ("JOC").** Director Florack reported on various topics from the Joint Operations meeting. She stated FEMA awarded money for the Water Well damage.

10. **Sidewalk Project and any necessary action.** Ms. Ellison stated Mr. Henn contacted her to inform her the contracts are not ready and he would not be attending the meeting today.

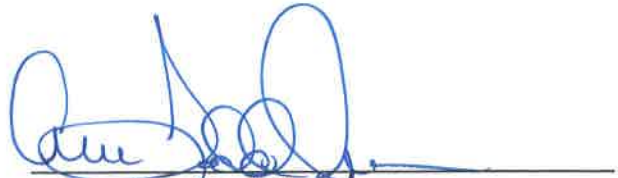
11. **Report on Eminent Domain filing.** The President recognized Ms. Ellison, who stated that the District is required to file an annual report with the Texas Comptroller of Public Accounts to retain its right to exercise eminent domain. She stated NRF made this filing on behalf of the District.

12. **Next meeting date.** The Board set a tentative meeting date of February 13, 2019.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on February 13, 2019.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

(DISTRICT SEAL)

