

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 396
April 10, 2019

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

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 April 10, 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 except Director Aaron. Also attending all or portions of the meeting were Ms. Kim Shelnett 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. Brian Krueger of BKD, auditor for the District; Mr. Allen DeJonge of 1190 Designs; 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 Vice President asked Director Brown to serve as Chair. Director Brown opened discussion of the minutes of the meeting of March 18, 2019, previously distributed to the Board. Upon motion by Director Brewer, seconded by Director Florack, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of March 18, 2019, as presented.

2. **Public Comments (3 minute limit).** There were no public comments.

3. **Tax Assessor-Collector's Report, payment of bills, including any necessary requests for estimates of value, and water termination.** Director Brown recognized Ms. Goin, who presented to and reviewed with the Board the Tax Assessor-Collector's Report for March, a copy of which is attached hereto as Exhibit "B." Ms. Goin reported that 98.6% of the District's 2018 taxes had been collected as of March 31, 2019. Ms. Goin presented two checks and two wire transfers for the Board's approval.

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 Tax Assessor-Collector's Report and to authorize the expenditures listed therein

4. **Approve audit for fiscal year ended December 31, 2018.** Director Brown recognized Mr. Krueger, who presented to and reviewed with the Board the draft audit for fiscal year ended December 31, 2018 and a required communications letter, copies of which are attached hereto as Exhibit "C." Discussion ensued.

Upon motion by Director Applewhite, seconded by Director Florack, after full discussion and the question being put to the Board, the Board voted unanimously to accept the audit for fiscal year ended December 31, 2018, subject to final review.

5. **Operator's Report, authorization of maintenance and termination of accounts.** Director Brown recognized Ms. Dolan, who presented to and reviewed with the Board the Operator's Report for March, a copy of which is attached hereto as Exhibit "D."

Ms. Dolan stated that the Fairfield Districts' accountability for March was 95%.

Ms. Dolan stated that there are 22 delinquent accounts that will be tagged on April 11 and will be turned off on April 23.

Ms. Dolan reviewed the Fairfield call report and the District call report with the Board. She stated the District had one water quality report and Inframark responded.

Director Brewer requested information from Inframark on a repair at 16602 East Lazy Daisy Circle. He also requested Inframark to confirm the HOA irrigation pump station at the west detention lake has backflow prevention. Ms. Dolan stated she will follow up.

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

6. **Discuss participation in Joint Fairfield District website.** Director Brown recognized Mr. DeJonge, who presented a proposal for the Joint Fairfield website, a copy of which is attached hereto as Exhibit "E." Discussion ensued. The Board elected a monthly fee of \$225 for unlimited updates with required document monitoring and set for email and text alerts. 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 proposal for the Joint Fairfield website, as specified.

7. **Approve Bookkeeper's Report, Payment of Bills, Including Review of Budget, Investment Report and Policy, and Any Necessary Changes.** Director Brown recognized Ms. Shelnut, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "F." Ms. Shelnut presented twenty-three checks and six deposit refunds for the Board's approval.

Upon motion by Director Brewer, seconded by Director Applewhite, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report and to authorize payment of the expenditures listed therein.

8. **Engineer's Report, authorization of any necessary engineering work or stormwater pollution prevention services.** Director Brown 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 reported the one-year warranty inspection for the Lift Station Generator would be complete this week.

Ms. Fields reported the one-year warranty inspections for the Water Plant No. 1 Hydropneumatic Tanks are currently underway for the two new tanks. She said the first tank's punchlist items have been completed and the tank has been placed back online. She stated the second tank has been drained and recently inspected and the resulting punchlist items have been distributed to the contractor.

Ms. Fields reported BGE received construction plans for a proposed Olive Garden in HCMUD 358 for review.

9. **Sidewalk Project and any necessary action.** Director Applewhite reported the project is in the beginning stages.

10. **Resolution Reviewing Drought Contingency Plan.** Ms. Ellison reviewed with the Board a Resolution Reviewing Drought Contingency Plan (the "Resolution"), a copy of which is attached hereto as Exhibit "H." Ms. Ellison said no changes are recommended at this time. Discussion ensued.

Upon motion by Director Brown, seconded by Director Brewer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Resolution.

11. **Report on Joint Operations Council ("JOC").** Director Brown reported on various topics from the JOC meeting.

12. **Discuss Joint Fairfield website and take any necessary action.** This item was previously addressed.

13. **Other Consultant and Director Reports.** There were no other reports.

14. **Discuss meeting in District periodically.** The Board discussed meeting in the District twice a year.

15. **Next meeting date.** The Board set a tentative meeting date of May 8, 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 May 8, 2019.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)