

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 396
May 8, 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 May 8, 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. Kim Shelnett of Myrtle Cruz, Inc., Bookkeeper for the District; Ms. Robin Goin of Bob Leared Interests, tax assessor and collector for the District; Ms. Cindy Fields of Brown & Gay Engineers, Inc. ("BGE"), Engineer for the District; Mr. Don Self and Ms. Janet Dolan of Inframark Water Infrastructure Operations ("Inframark"), Operators 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 President opened discussion of the minutes of the meeting of April 10, 2019, previously distributed to the Board. Discussion ensued. 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 April 10, 2019, as amended.
2. **Public Comments (3 minute limit).** There were no public comments.
3. **Approve Continuing Disclosure Report and authorize filing.** The Board deferred this item.
4. **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 April, a copy of which is attached hereto as Exhibit "B." Ms. Goin reported that 99% of the District's 2018 taxes had been collected as of April 30, 2019. Ms. Goin presented three checks and two wire transfers for the Board's approval.

Upon motion by Director Florack, seconded by Director Brown, 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.

5. 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 April, a copy of which is attached hereto as Exhibit "C."

Ms. Dolan stated that the Fairfield Districts' accountability for April was 97.6%.

Ms. Dolan stated that there are 32 delinquent accounts that will be tagged on May 14 and will be turned off on May 22.

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.

Ms. Dolan presented an appeal from a customer on his water bill due to a leak. Discussion ensued. 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 a \$30 credit.

Ms. Dolan reported Inframark will be updating their online credit card system. She stated customers will have to re-setup their credit card information. She noted that communication will be sent to residents notifying them of the system change and instructions.

Ms. Dolan reported the HOA denied the request of the resident who wanted to move his meter.

Upon motion by Director Applewhite, seconded by Director Brewer, 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. Approve Consumer Confidence Report. Ms. Dolan reviewed with the Board the annual Consumer Confidence Report ("CCR"), a copy of which is attached hereto as Exhibit "D." Discussion ensued.

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 approve the CCR and authorize putting a link on customer water bills.

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

Ms. Shelnett reported she is adding check no. 2309 to Director Florack for expense reimbursement.

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 accept the

Bookkeeper's Report, to authorize payment of the expenditures listed therein and to approve check no. 2309 to Director Florack.

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 "F."

Ms. Fields reported she was contacted by Harris County regarding the District's sidewalk project. She stated she was told the contractor did not pull permits before starting the sidewalk and she gave Harris County the architect and contractor's information.

Ms. Fields reported on the one-year warranty inspections of the hydro-pneumatic tanks at Water Plant No. 1. She stated the second tank has been drained and inspected and the resulting punchlist has been distributed to the contractor and the work has not been completed.

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 Engineer's Report.

9. **Sidewalk Project and any necessary action.** Ms. Ellison reported Mr. Henn stated he will present pay applications next month.

10. **Website review and comments.** The President recognized Mr. DeJonge, who reviewed with the Board the Fairfield joint website. Discussion ensued. Upon motion by Director Applewhite, seconded by Director Brewer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the website and authorize going live, pending attorney review.

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

12. **Consider need for Insurance Proposals (expires 7/29/19).** The Board decided to request a proposal from the District's current provider.

13. **Other Consultant and Director Reports.** Ms. Ellison presented to and reviewed with the Board a letter received from a resident. She stated the resident is demanding interest on her security deposit. Discussion ensued. The Board instructed NRF to respond to the resident that the District has elected not to pay interest on security deposits, as authorized by the Texas Water Code.

14. **Next meeting date.** The Board set their next meeting date of June 12, 2019, at 11:30 a.m.

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 June 12, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

