

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 396
July 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 July 10, 2019, at 11:30 a.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 Brown. Also attending all or portions of the meeting were Ms. Kim Shelnut 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. Mark Yentzen of Inframark Water Infrastructure Operations ("Inframark"), Operators for the District; Mr. Bill Wilson, resident of the District; and Ms. Kathleen Ellison and Ms. Amanda Mease 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 June 12, 2019, previously distributed to the Board. Discussion ensued. 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 approve the minutes of June 12, 2019.

2. **Public Comments (3 minute limit).** The President recognized Mr. Wilson who discussed new legislation and propositions to be on the November ballot.

3. **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 June, a copy of which is attached hereto as Exhibit "B." Ms. Goin reported that 99.4% of the District's 2018 taxes had been collected as of June 30, 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. **Operator's Report, authorization of maintenance and termination of accounts.** The President recognized Mr. Yentzen, who presented to and reviewed with the Board the Operator's Report for June, a copy of which is attached hereto as Exhibit "C."

Mr. Yentzen stated that the Fairfield Districts' accountability for June was 99.24%.

Mr. Yentzen stated that there are 29 delinquent accounts that will be tagged on July 18 and will be turned off on July 24.

Mr. Yentzen reviewed the Fairfield call report and the District call report with 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 Operator's Report and to terminate the delinquent accounts in accordance with the rate order.

5. **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 "D."

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.

Ms. Fields reported BGE has started the design of a new generator to serve the Wastewater Treatment Plant.

Ms. Fields reported BGE received a call from a consulting engineer requesting information to facilitate the design of a new parking lot for Swenke Elementary School.

6. **Approve Engagement letter for Arbitrage Compliance Services for the Series 2015 Bonds.** The Board reviewed an Engagement Letter from Arbitrage Compliance Services for the Series 2015 Bonds, a copy of which is attached hereto as Exhibit "E." 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 engage Arbitrage Compliance Services for the Series 2015 Bonds.

7. **Sidewalk Project and any necessary action.** There was no update.

8. **Report on Joint Operations Council ("JOC").** Ms. Mease read a report from Director Brown on various topics from the JOC meeting.

9. **CPI Increase in Waste Management Fee.** The Board reviewed the Waste Management CPI Increase for 2019, a copy of which is attached hereto as Exhibit "F." 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 not increase the base water rate to reflect the charge in the Waste Management fee.

10. **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 "G." Ms. Shelnut presented twenty checks and five deposit refunds for the Board's approval.

Ms. Shelnut reported she has a check from last meeting for \$925 for removal of sidewalk. 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 Change Order No. 1 in the amount of \$925 and to transmit it to the landscape architect.

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 Bookkeeper's Report, to authorize payment of the expenditures listed therein.

11. **Report on AWBD Conference.** The Board discussed various topics from the Conference.

12. **Other Consultant and Director Reports.** The Board reviewed the Harris-Galveston Area Council letter for the Watershed Protection Plan for Cypress Creek, a copy of which is attached hereto as Exhibit "H." The Board decided to put the letter on the District's website under latest news and to designate Director Florack as website liaison.

13. **Next meeting date.** The Board set their next meeting date of August 14, 2019, at 12:00 p.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 August 14, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

