

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 374

June 14, 2018

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 374 (the "District") met in regular session, open to the public, on the 14th day of June, 2018, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Joe Sykes	President
Thomas Mohr	Vice President
Jennifer Naedler	Assistant Vice President
Brian Canepa	Secretary
Vacant	Assistant Secretary

and all of the above were present except Director Canepa, thus constituting a quorum.

Also present at the meeting were Shannon Waugh of Off Cinco; Teri Laguarta of Inframark Water & Infrastructure Operations ("Inframark"); Kathy Cruthirds of Tax Tech, Inc. ("Tax Tech"); Demitra Berry of McLennan & Associates, L.P. ("McLennan"); Josh Fort of Champions Hydro-Lawn, Inc. ("Champions"); Keli Schroeder of BGE, Inc. ("BGE"); Scott Spidle and Marie Mohr, residents of the District; and Susan Edwards, Sandra Staine, and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 10, 2018, regular Board meeting. Following review and discussion, Director Mohr moved to approve the regular meeting minutes as presented. Director Naedler seconded the motion, which passed by unanimous vote.

ACCEPT RESIGNATION OF DIRECTOR OWENS AND APPOINT NEW DIRECTOR

The Board discussed the resignation of Director Owens. Following discussion, Director Mohr moved to accept Director Owen's resignation from the Board, effective May 15, 2018. Director Naedler seconded the motion, which passed unanimously.

The Board considered appointing a new director to the Board. After discussion, Director Mohr moved to appoint Scott Spidle to the Board. Director Naedler seconded the motion, which passed unanimously.

APPROVE SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE OF NEW DIRECTOR

The Board considered approving the Sworn Statement, Official Bond, and Oath of Office for Director Spidle in connection with his appointment to the Board of Directors. After review and discussion, Director Mohr moved to approve the Sworn Statement, Official Bond, and Oath of Office for Director Spidle, authorize ABHR to file the Oath of Office with the Secretary of State, and direct that the Sworn Statement, Official Bond, and Oath of Office be filed appropriately and retained in the District's official records. Director Naedler seconded the motion, which passed by unanimous vote.

REORGANIZE BOARD AND AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board considered reorganization. Ms. Edwards stated that a revised District Registration Form must be executed and submitted to the Texas Commission on Environmental Quality ("TCEQ") listing the new Director's term and office. Following discussion, Director Mohr moved that the Directors' positions be as follows:

Joe Sykes	President
Thomas Mohr	Vice President
Jennifer Naedler	Assistant Vice President
Brian Canepa	Secretary
Scott Spidle	Assistant Secretary

and that the Board authorize execution of the District Registration Form. Director Naedler seconded the motion, which carried unanimously.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Edwards presented and reviewed a memorandum from ABHR regarding the Texas Open Meetings Act Requirements, a copy of which is attached. She stated that each elected public official is required to complete a course of training regarding responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 551, Texas Local Government Code. Ms. Edwards stated that Director Spidle must complete training within 90 days of taking his Oath of Office.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Edwards discussed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code

and disclosure forms adopted by the Texas Ethics Commission. A copy of the Memorandum is attached.

The Board reviewed a List of Local Government Officers that the District is required to maintain pursuant to Chapter 176 of the Texas Local Government Code. After review and discussion, Director Mohr moved to approve and authorize execution of the List of Local Government Officers, and direct that the List be filed appropriately and retained in the District's official records. Director Naedler seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF THE BILLS, AND REVIEW OF INVESTMENTS

Ms. Berry presented the bookkeeper's report and submitted the bills for the Board's review. Following further discussion, Director Naedler moved to approve the bookkeeper's report, the checks presented for payment, and the investment report. Director Mohr seconded the motion, which carried unanimously. A copy of the bookkeeper's report, including the investment report, is attached.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines and Director Expenses for the Association of Water Board Directors summer conference. Ms. Edwards reminded the Board of the District's Travel Reimbursement Guidelines.

TAX ASSESSMENT AND COLLECTION MATTERS, INCLUDING DELINQUENT TAX COLLECTIONS, INSTALLMENT AGREEMENT, AND PAYMENT OF TAX BILLS

Ms. Cruthirds reviewed the District's monthly tax report and stated that 99.07% of the District's 2017 taxes have been collected through the end of May. She stated the 2018 preliminary assessed value of the District is \$456,628,774, not including personal property and \$479,432,788, including personal property. Following discussion, Director Spidle moved to approve the tax assessor/collector's report and the checks drawn on the District's tax account. Director Mohr seconded the motion, which carried by unanimous vote. A copy of the tax report is attached.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

After discussion, Director Spidle moved to authorize the delinquent tax attorney to proceed with collection of 2017 delinquent taxes. Director Mohr seconded the motion, which passed unanimously.

## OPERATOR'S REPORT

Ms. Laguarda presented the monthly operator's report, a copy of which is attached, and reported no violations of the permitted parameters for the effluent discharge in April. She then reviewed the report and invoices with the Board. Ms. Laguarda also reported on routine maintenance and repair items during the month.

Ms. Laguarda presented a write-off report of water and sewer accounts deemed to be uncollectible and recommended that one account be turned over to a collection agency. A copy of the write-off report is filed appropriately and retained in the District's official records.

Following review and discussion, Director Naedler moved to (1) approve the operator's report; and (2) authorize Inframark to turn over one account totaling \$154.29 deemed to be uncollectible to a collection agency. Director Spidle seconded the motion, which passed unanimously.

## HEARING REGARDING TERMINATION OF UTILITY SERVICE TO DELINQUENT ACCOUNTS AND AUTHORIZE TERMINATION OF SERVICE

Ms. Laguarda reported on the list of delinquent customers this month. The Board conducted a hearing regarding water and sewer service terminations. She reported the customers on the termination list who are delinquent in the payment of their water and sewer bills were given written notification in accordance with the District's Amended Rate Order prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility service should not be terminated for reason of non-payment. After discussion, Director Naedler moved to authorize termination of delinquent accounts in accordance with the District's Amended Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Spidle seconded the motion, which passed by unanimous vote.

## ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

This agenda item was deferred until the next Board meeting.

## ENGINEER'S REPORT

Ms. Schroeder presented the engineer's report, a copy of which is attached.

## DEEDS, EASEMENTS, AND CONSENTS TO ENCROACHMENT

There were no deeds, easements, or consents to encroachment for the Board's approval.

## UTILITY COMMITMENT LETTERS

There were no utility commitment letters for the Board's approval.

## WATER PLANT PROJECTS

Ms. Schroeder reported to the Board that Harris County Municipal Utility District No. 433 awarded the contract for the hydropneumatics tank project on June 13th. She added that construction will begin in July 2018.

## LIFT STATION REHABILITATION

Ms. Schroeder updated the Board on the lift station rehabilitation project. She presented and reviewed Exhibit "A" of the Master Services Agreement for design of the lift station rehabilitation project at a lump sum cost of \$26,000. Following discussion, Director Spidle moved to approve Exhibit "A" of the Master Services Agreement for design of the lift station rehabilitation project, as discussed. Director Naedler seconded the motion, which passed unanimously.

## PARK BOND APPLICATION NO. 2

Ms. Schroeder updated the Board on park bond application no. 2. She reported that the pre-purchase inspection was completed yesterday, and BGE is waiting on the approval letter from the TCEQ.

## MOUND ROAD WATERLINE ADJUSTMENTS FOR HARRIS COUNTY MOUND ROAD EXPANSION

Ms. Schroeder updated the Board on the Mound Road waterline adjustments for the Harris County Mound Road Expansion from Crossland Park Drive east to Fry Road. She reported that BGE is working out solutions with Harris County to incorporate adjustments to the County construction plans to avoid conflicts with the County storm sewer line.

## WATERLINE CONNECTION AT CROSSLAND PARK DRIVE

Ms. Schroeder updated the Board on the waterline connection at Crossland Park Drive. She presented and reviewed Exhibit "A" of the Master Services Agreement for design of the waterline connection at Crossland Park Drive at a cost not to exceed \$15,000. Following discussion, Director Spidle moved to approve Exhibit "A" of the Master Services Agreement for design of the lift station rehabilitation project, as discussed. Director Naedler seconded the motion, which passed unanimously.

WATERLINE INTERCONNECT WITH HARRIS COUNTY MUD NO. 500

Ms. Schroeder updated the Board on the waterline interconnect with Harris County Municipal Utility District No. 500 ("HC500"). She reported that BGE is coordinating with HC500 to determine feasibility of the project at this time.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA") CREDIT FOR APPLICATION OF RE-USE WATER FOR IRRIGATION PURPOSES

Ms. Schroeder updated the Board on a proposed application to the WHCRWA for credits for the District's irrigation with re-use water, noting that the District would need to meter potable water run-off into the detention pond to receive credit for that re-use water. The Board concurred only a minimal amount of credit could be obtained from the splash pad.

COORDINATION WITH CY-FAIR ISD FOR DETENTION POND MANAGEMENT

Ms. Schroeder updated the Board on the coordination with Cy-Fair ISD for management of its detention pond. She reported that she followed up with the Cy-Fair ISD engineer, who again requested a later meeting date. She added that she will follow up in early July.

SMART METER MATTERS

There was no discussion on this agenda item.

CHAMPIONS REPORT

Mr. Fort presented a report on the District's drainage facilities, a copy of which is attached. He presented and reviewed a Resolution Authorizing the Execution of Annual Certificate of Proper Operation which allows for Champions to continue to sign the certificate of proper operation required to renew the Storm Water Quality Permit issued by Harris County. Following discussion, Director Spidle moved to approve the Resolution Authorizing the Execution of Annual Certificate of Proper Operation. Director Mohr seconded the motion, which passed unanimously.

LAKE PRO, INC., REPORT AND PROPOSALS

Director Sykes reported that Lake Pro cleaned out the lake and has been adding dye to the lake weekly.

PARK/RECREATIONAL IMPROVEMENTS INCLUDING I.M.S. LANDSCAPE SERVICES, INC. ("I.M.S."), REPORT, AND PROPOSALS

There was no discussion on this agenda item.

PATROL SERVICES

Director Sykes reported on security matters in the District. He informed the Board that one of the constables has changed positions and will no longer be patrolling in the District. He added that a new constable has replaced him. The Board acknowledged receipt of the security services report for the month, a copy of which is attached.

MEETING FACILITY REPORT, INCLUDING MAINTENANCE AND IMPROVEMENTS AT CYPRESS CREEK LAKES COMMUNITY CENTER ("CLUBHOUSE"), INCLUDING CHAIR REPLACEMENTS AND DISPOSITION OF OLD CHAIRS

Ms. Waugh updated the Board on reservations at the clubhouse.

DISTRICT WEBSITE

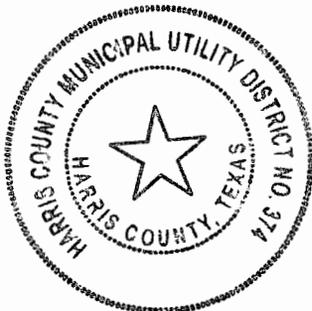
Ms. Waugh presented and reviewed an amendment to Off Cinco's Service Agreement to include (1) the option to create and send out postcards to District homeowners informing them about the District's website; and (2) a message to be posted to the District website's home page about hurricanes, including sending out an email blast to the District's email subscribers. Ms. Laguarta stated that Inframark could provide customer email information that customers may have provided to Off Cinco for the email blast as well as a list of mailing addresses for the postcards. Following review and discussion, Director Mohr moved to approve the amendment to Off Cinco's Agreement as discussed. Director Spidle seconded the motion, which passed unanimously.

DEVELOPER'S REPORT

There was no discussion on this agenda item.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)



  
Secretary, Board of Directors

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