

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 374

February 14, 2019

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 February, 2019, 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
Scott Spidle	Assistant Secretary

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

Also present at the meeting were Jason Demel of Inframark Water & Infrastructure Operations ("Inframark"); Kathy Cruthirds of Tax Tech, Inc. ("Tax Tech"); Diane Bailey of McLennan & Associates, L.P. ("McLennan"); Keli Schroeder of BGE, Inc. ("BGE"); Josh Fort of Champions Hydro-Lawn, Inc. ("Champions"); and Sandra Staine and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the January 10, 2019, regular Board meeting and January 16, 2019, special Board meeting. Following review and discussion, Director Spidle moved to approve the meeting minutes as presented. Director Naedler seconded the motion, which passed by unanimous vote.

ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT SUMMER CONFERENCE

The Board discussed the recent Association of Water Board Directors ("AWBD") winter conference. The Board also discussed the upcoming AWBD summer conference. Following discussion, Director Spidle moved to approve the reimbursement of eligible expenses related to the winter conference, which the bookkeeper confirmed were submitted in accordance with the District's Travel Reimbursement Guidelines, and authorize attendance of any interested directors at the summer conference. Director Canepa seconded the motion, which carried unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Bailey presented and reviewed the bookkeeper's report and submitted the bills for the Board's review. Following review and discussion, Director Naedler moved to approve the bookkeeper's report, the checks presented for payment, and the investment report. Director Canepa seconded the motion, which passed by unanimous vote. A copy of the bookkeeper's report, including the investment report, is attached.

## 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 71.75% of the District's 2018 taxes have been collected through the end of January. Following review and discussion, Director Mohr moved to approve the tax assessor/collector's report and the checks drawn on the District's tax account. Director Spidle seconded the motion, which carried by unanimous vote. A copy of the tax report is attached.

## RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Canepa moved to adopt a Resolution Concerning Exemptions from Taxation, reflecting that the Board of Directors grants a \$35,000 homestead exemption for persons who are over 65 years of age and/or disabled, and rejects a general residential homestead exemption, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Spidle seconded the motion, which passed by unanimous vote.

## 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 updated the Board on construction of the hydropneumatic tank project at the joint water plant in Harris County Municipal Utility District No. 433 ("MUD 433"). She reported that both of the MUD 433 hydro-pneumatic tanks are now online.

## LIFT STATION REHABILITATION

Ms. Schroeder updated the Board on the lift station rehabilitation project. She reported that the liners are falling off at Lift Station No. 1 and the wastewater treatment plant lift station, and there is water infiltration coming in from behind the liners. She added that this could result in an increase to the overall cost of the project. She recommended the Board approve Pay Estimate No. 3 in the amount of \$20,778.75.

Following review and discussion, Director Canepa moved to approve Pay Estimate No. 3 in the amount of \$20,778.75 for the lift station rehabilitation project payable to T&G Services. Director Naedler seconded the motion, which passed by unanimous vote.

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

There was no update on this agenda item.

## WATERLINE CONNECTION AT CROSSLAND PARK DRIVE

Ms. Schroeder updated the Board on the waterline connection at Crossland Park Drive. She reported that the project is complete, and BGE is expecting the final pay estimate.

## EMERGENCY WATER INTERCONNECT WITH HARRIS COUNTY MUD NO. 500

There was no update on this agenda item.

## OPERATOR'S REPORT

Mr. Demel 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 December. He then reviewed the report and invoice amounts with the Board. Mr. Demel also reported on routine maintenance and repair items during the month.

Mr. Demel 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.

Mr. Demel updated the Board on adding a surge protection for the District's facilities. He reported that Inframark is still working on the surge protection report outlining how often surges occur at the District's facilities.

Following review and discussion, Director Spidle moved to (1) approve the operator's report; and (2) authorize Inframark to turn over one account totaling \$52.38 to a collection agency. Director Naedler seconded the motion, which passed unanimously.

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

Mr. Demel reported on the list of delinquent customers this month. The Board conducted a hearing regarding water and sewer service terminations. He 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 Spidle 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 Naedler seconded the motion, which passed by unanimous vote.

AMENDMENT TO OPERATOR'S AGREEMENT

Mr. Demel informed the Board that he is still waiting for approval from Inframark's corporate office of the overtime rate prior to presenting the amendment to the operator's agreement to the Board.

CHAMPIONS REPORT

Mr. Fort presented the Champions report on the District's drainage facilities, a copy of which is attached.

PATROL SERVICES

Director Sykes reported that MUD 433 would like the District to consider adding another constable in the District. Director Spidle suggested adding cameras at each of the entrances to the District and noted that other Districts have shown a reduction in crime after adding cameras. Following discussion, the Board concurred to have Director Spidle obtain a proposal for adding cameras in the District.

MEETING FACILITY REPORT, INCLUDING MAINTENANCE AND IMPROVEMENTS AT CYPRESS CREEK LAKES COMMUNITY CENTER ("CLUBHOUSE")

Director Canepa reported on matters relating to the clubhouse.

DISTRICT WEBSITE

There was no discussion on this agenda item.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

Ms. Staine reviewed the District's annual report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA"). Following review and discussion, Director Mohr moved to approve the annual report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolutions through EMMA, and direct that the report be filed appropriately and retained in the District's official records. Director Naedler seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Ms. Staine stated that no changes are required at this time.

PARK/RECREATIONAL IMPROVEMENTS INCLUDING I.M.S. LANDSCAPE SERVICES, INC., REPORT; LAKEPRO, INC. REPORT; AND PROPOSALS

Director Sykes presented and reviewed a proposal from Lake Pro for replacement of the Section 7 South Fountain with a new AquaMaster fountain at a cost of \$16,689.50, a copy of which is attached. Following review and discussion Director Spidle moved to approve the proposal from Lake Pro. Director Mohr seconded the motion, which passed unanimously.

Ms. Staine and Ms. Heyne left the meeting.

CONVENE IN EXECUTIVE SESSION

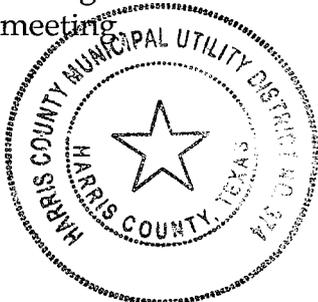
The Board did not convene in executive session pursuant to Section 551.071, Texas Government Code.

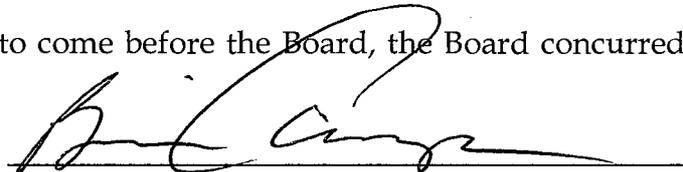
RECONVENE IN OPEN SESSION

The Board discussed the dirt fill work being done in the Towne Lake subdivision.

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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