HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors
March 28, 2023

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District") met in regular session, open to the public, in accordance with the duly posted notice of meeting and the Texas Open Meetings Act. The roll of the duly constituted officers and members of said Board was called as follows:

Randy Love	-	President
Gary Nelson	-	Vice President
C.L. "Steve" Crane	-	Secretary
Gary Tober	-	Assistant Secretary
Ronald Julun	-	Director

All of the said persons were present, thus constituting a quorum.

Also present were Creston Minter and Brenda Landin of H2O Innovation ("H2O"); Lynnette Tujague of District Data Services ("DDS"); Taylor Reed of Vogler & Spencer Engineering ("VSE"); Jonathan Roach, Brian Cassidy*, and Chelby Simpson of Roach & Associates, PLLC ("RAPLLC"); Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Bear Oakley of Acclaim Energy ("Acclaim"); and Travis Mansville, a resident of the District. [*Remote attendees]

PUBLIC COMMENTS

Mr. Roach reviewed previous discussions with the neighboring Homeowners Associations ("HOAs"), including Barkers Ridge, Barkers Crossing, Oak Ridge Place, and Lake Ridge, regarding garbage contracts and noted that a resident, Mr. Mansville, was in attendance to discuss waste collection services. Then, Mr. Mansville stated he is a part of Barkers Ridge HOA and reviewed matters with the HOA's garbage collections vendor, Texas Pride, noting they are canceling their contract. The Board had a lengthy discussion regarding entering a single-payer contract, noting all four HOAs must be in favor and agree on the same services.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered for approval the regular meeting minutes of January 6, 2023, January 24, 2023, and February 28, 2023. After some discussion, Director Crane made a motion, seconded by Director Julun, to approve the minutes of January 6, 2023, January 24, 2023, and February 28, 2023, regular meetings, as revised. The motion passed unanimously.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Mata presented the Tax Assessor/Collector Report; a copy is attached hereto as **Exhibit "A."** After no further discussion, Director Nelson motioned to approve the Tax Assessor's Report, including payment of checks presented therein. Director Julun seconded the motion, which passed unanimously.

DELINQUENT TAX ATTORNEY REPORT

Mr. Roach briefly reviewed the Delinquent Tax Attorney Report, noting no action was required by the Board.

RESEARCH UNCLAIMED PROPERTY, RELEASE NOTICE TO CERTAIN UNCLAIMED PROPERTY OWNERS, AND FUTURE FILING OF THE SAME

Mr. Roach advised that the District is required to research any unclaimed property related to water utility deposits, tax overpayments, and additional funds the District may be in custody of, which will need to be reported and, in some cases, escheated to the State of Texas. He also advised that notice must be given by May 1, 2023, to any owners of unclaimed property valued over $250. Upon a motion by Director Crane, seconded by Director Julun, the Board voted unanimously to authorize the District's consultants to research any unclaimed property held by the District and provide the required notice, as applicable.

BOOKKEEPER'S REPORT

Ms. Tujague presented the Bookkeeper's Report, including payment of invoices contained therein; a copy is attached hereto as **Exhibit "B."** Mr. Roach noted that Mr. Thatcher would attend the next meeting and present an analysis of the construction surplus. The Board and Mr. Reed then had a lengthy discussion regarding restructuring the budget.

After discussion, Director Nelson made a motion, seconded by Director Tober, to approve the Bookkeeper's Report, including payment of invoices. The motion passed unanimously.

ACCLAIM ENERGY/TEXAS RELIABILITY COALITION UPDATES

Mr. Oakley advised that one of the pilot programs for the micro-grid has begun and noted that CenterPoint Energy is accepting five more pilots, whereby Mr. Oakley stated he would like the District to join the pilot program. Next, he reviewed the Letter of Intent, which Mr. Roach had already reviewed, noting there is no obligation to sign the letter. Then Mr. Oakley, Mr. Reed, and the Board discussed in detail the timing, cost, and various engineering questions regarding the proposed pilot program and the 30,000-kilowatt generator to support it. After a lengthy discussion, Director Nelson made a motion, seconded by Director Julun, to approve the Letter of Intent and to join the microgrid pilot program. The motion passed unanimously.

Next, Mr. Roach noted several proposed bills related to the electricity grid and microgrids in the legislative session. He recommended that the Board to read an article in the Texas Monthly which provides Elon Musk's recommendations on connecting to the power grid.

DEVELOPMENT REPORT

Mr. Reed briefly noted that VSE is reviewing plans for the Canterbury Development.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as **Exhibit "C,"** and provided updates on the Radium Treatment – Ion Exchange Water Plant No. 1 & No. 2, noting delivery of equipment is pending and the corrosivity report has been approved. The Board required no action.

STATUS OF MAINTENANCE BY CHAMPIONS HYDRO-LAWN, INC.

Mr. Gray presented and reviewed the Champions Report, noting updates on the various detention ponds and channels. He stated the Board required no action.

Mr. Oakley exited the meeting during the report.

OPERATIONS AND MAINTENANCE REPORT

Mr. Minter presented the Operations and Maintenance Report, a copy of which is attached hereto as **Exhibit "D,"** noting there were five (5) District Alerts for February 2023, all of which were completed.

Then, Ms. Landin discussed one (1) appeal for February 2023, noting a resident's request for a payment plan on a balance of $748.20 with an offer to pay an extra monthly payment of $50.00. After some discussion, the Board voted unanimously upon a motion by Director Crane, seconded by Director Love, to approve a 12-month payment plan.

Lastly, Mr. Minter noted that H2O would be switching billing systems from PayClix to Starnik. He advised that it would be a smooth transition and a notice with instructions would be provided to residents before the transition occurs. He then briefly reviewed two bankruptcy accounts, whereby Mr. Roach discussed procedures for delinquent accounts who have filed for bankruptcy.

DROUGHT CONTINGENCY PLAN AND WATER CONSERVATION PLAN

Mr. Roach noted a scheduling conflict preventing RAPLLC, the Engineer, and Operator from meeting and discussing Drought Contingency Plan ("DCP") comments. He advised they will discuss comments and present the DCP for approval at the next meeting.

EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICT/WATER SYSTEMS

Mr. Roach noted the Emergency Interconnect Agreement has expired, and water is not being provided through the interconnect.

DIRECTOR'S REPORTS

Director Tober presented an update on the recent WHCRWA meeting, including project updates undertaken by WHCRWA.

Next, Director Nelson inquired about communications of the billing system switch to Starnik. Mr. Minter reassured the Board that it is still in progress and will be communicated with the residents before the transition occurs.

Then, Director Crane reviewed the District's Annual Newsletter in detail. Director Nelson motioned to approve the District's Annual Newsletter and distribution with incorporated revisions. The motion was seconded by Director Julun and passed unanimously.

TECHNOLOGY AND WEBSITE UPDATES

Mr. Roach advised there was nothing new to report at this time.

REVIEW DISTRICT POLICIES

This item was deferred.

ATTORNEY'S REPORT

This item was deferred.

ADDITIONAL PUBLIC COMMENTS

Mr. Roach noted a resident submitted an inquiry regarding a speeding concern in one of the Barkers Crossing HOA ("HOA"). Director Julun advised that he discussed the concern with the president. He was informed that the HOA employs an officer and suggested responding to the resident by stating to submit their complaint to the constable's office.

EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.071, 551.074, ET. SEQ.

The Board did not enter into executive session.

ADDITIONAL PENDING BUSINESS AND SCHEDULE FOR UPCOMING BOARD MEETINGS

The Board concurred to hold its next regular meeting on April 25, 2023, at 1:00 p.m. After no further discussion to come before the Board, Director Nelson motioned to adjourn the meeting. The motion was seconded by Director Crane and passed unanimously.

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Approved this 25th day of April 2023.

/s/ Steve Crane
Secretary, Board of Directors

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LIST OF EXHIBITS

Exhibit A – Tax Assessor's Report
Exhibit B – Bookkeeper's Report
Exhibit C – Engineer's Report
Exhibit D – Operations and Maintenance Report