

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors

March 25, 2025

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 238 (the “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, consisting 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
Ronald Julun	-	Assistant Secretary
Patricia Richardson	-	Director

All of the said persons were present except Director Richardson, who entered later in the meeting, thus constituting a quorum.

Also present were Brenda Landin of H2O Innovation (the “District’s Operator”); Lynnette Tujague of District Data Services, Inc. (the “District’s Bookkeeper”); Peitao Long of Vogler & Spencer Engineering, Inc. (the “District’s Engineer”); Jonathan Roach, Ray Arce, Jewel Wheeler, and Jeffrey Blakenship of Roach & Associates, PLLC (the “District’s Attorney”); Scott Gray of Champions Hydro-Lawn, Inc. (the “District’s Landscaping Consultant”); Isabel Mata of Wheeler & Associates, Inc. (the “District’s Tax Assessor”); Mary DuBois and Abby Grasshoff of Energy by 5; and Jerald Garcia and Travis Mansville, residents of the District.

PUBLIC COMMENTS

The Board ensued a lengthy discussion with Messrs. Garcia and Mansville regarding trash pick-up options.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered the regular meeting minutes of January 28, 2025, and February 25, 2024. After a brief discussion, Director Crane motioned approve the February 25, 2025 minutes and to defer the approval of the January 28, 2025 minutes. Director Nelson seconded the motion, which passed unanimously.

ENERGY ADVISOR PRESENTATION

Mses. DuBois and Grasshoff presented the findings of the 12-month energy analysis. Director Crane then asked what benefit 5 Energy would bring to the District. Ms. DuBois noted that 5 Energy would provide usage reports, legislative updates regarding electricity, validity of bills & taxes, and other benefits not provided by the sole energy provider. She further noted that 5 Energy would not be replacing the District’s current energy company, just providing extra benefits.

TAX ASSESSOR/COLLECTOR'S REPORT

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

DELINQUENT TAX ATTORNEY REPORT

Mr. Roach noted that there have been a few installment plan defaults, with Final Action Notices on these accounts to be sent out soon.

BOOKKEEPER'S REPORT

Ms. Tujague presented the Bookkeeper's Report, including payment of invoices contained therein; a copy of which report is attached hereto as **Exhibit "B"**. After a brief discussion regarding the Certificate of Deposit ("CD") account at Texas Regional Bank, Director Nelson motioned to approve: (1) the Bookkeeper's Report, including the payment of invoices; and (2) the District's Bookkeeper to close the Texas Regional CD account. The motion was seconded by Director Love and passed unanimously.

AUTHORIZE CONSULTANTS TO RESEARCH UNCLAIMED PROPERTY, RELEASE NOTICE TO CERTAIN UNCLAIMED PROPERTY OWNERS, AND FUTURE FILINGS ON UNCLAIMED PROPERTY REPORT WITH THE STATE

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 the custody of which will need to be reported and, in some cases, escheated to the State of Texas. Upon a motion by Director Love, seconded by Director Nelson, the Board voted unanimously to authorize the District's consultants to research any unclaimed property held by the District and provide the necessary notice, as applicable.

DEVELOPMENT REPORTS INCLUDING UTILITY CAPACITY AND/OR FINANCING AGREEMENT REQUESTS, SITE/FACILITY CONVEYANCES, OPTIONS FOR POSSIBLE ANNEXATION, AND RELATED MATTERS

Mr. Long noted that there are no updates on the Canterbury Development.

ENGINEER'S REPORT

Mr. Long presented the Engineer's Report, a copy is attached as **Exhibit "C"**, and provided updates on the following: (1) Radium Treatment-Ion Exchange Water Plant No. 1 and No. 2, noting that the system is currently in service; (2) Capital Improvement Plan; (3) Surface Water Connection, noting the District's Engineer will be presenting the bids at the April Board meeting; (4) Emergency Response Plan; and (5) Barkers Ridge Section 1-5 Sanitary Sewer Clean &TV, noting the District's

Engineer has reviewed 75% of the footage of this project.

After no further discussion, the Board concurred to approve the Engineer's Report.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Gray presented and reviewed the Detention and Drainage Facilities Report, a copy is attached as **Exhibit "D"**, noting no new updates on the various detention ponds and channels. Mr. Gray noted that everything is operating smoothly.

OPERATIONS AND MAINTENANCE REPORT

Ms. Landin presented the Operations and Maintenance Report; a copy is attached as **Exhibit "E"**, which includes updates on the following topics: (1) Repair and maintenance of District facilities;; (2) Report on the manhole inspection; (3) Options for sanitary sewer line cleaning and issues; (4) Status of maintenance cost-sharing; (5) Appeals of District charges and customer disconnects, noting the District's Operator received one new appeal; (6) Lead & Copper Rules Revisions; (7) Storage of excess supplies at WWTP site; (8) Storm damage assessment, repairs, and readiness; and (9) Contract and Rate Order Discussion, noting at the next Board meeting Mr. Minter will present a revised Rate Order and discuss the Operation's Budget.

Next, Director Crane noted that he is concerned that when a meter is broken, the District's Operator is only billing the base amount rather than manually reading the meters. Ms. Landin advised that the meters should be manually read when broken so she will be looking into this.

Then, Ms. Landin discussed an appeal that the District's Operator received, noting that a resident of the District had higher water usage than normal due to toilets in her home leaking. The resident paid the balance but is requesting the amount be prorated to her normal amount and the remaining amount she paid be applied to her future water bills.

After a brief discussion, the Board concurred to approve the Operators report. Then, Director Richardson motioned to deny the resident's appeal. This motion was seconded by Director love and passed 4-1 with Director Julun abstaining.

EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICTS/WATER SYSTEMS

Mr. Roach noted that there are no new updates regarding this.

TECHNOLOGY AND WEBSITE UPDATES

Director Crane noted that he provided Ms. Wheeler with the Annual District Newsletter Update on a flash drive to be sent to Off-Cinco for posting on the District's website.

DIRECTOR'S REPORTS

Director Julun provided an update from the last West Harris County Regional Water Authority (“WHCRWA”) meeting, including engineering highlights and map updates.

ATTORNEY’S REPORT

Mr. Roach noted that he will be in Austin this week and will be able to provide an update on legislative bills that would affect municipal utility districts at the next Board meeting.

Next, Mr. Roach noted that he would be speaking with Cory Burton regarding the Arbitrage and advised the Board to hold off on sending the yield reduction payment until after this conversation has taken place.

Then, Mr. Roach noted that the Texas Special Districts Coalition had created a memorandum of understanding and requested approval for the District’s Attorney to sign on behalf of the District, stating they are interested in the coalition and want to continue receiving more information about it. After a brief discussion regarding the benefits of this coalition, Director Crane motioned to authorize the District’s Attorney to sign regarding their interest in the coalition on behalf of the District. Director Love seconded the motion, which passed unanimously.

ADDITIONAL PUBLIC COMMENTS

There were no additional public comments.

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

The Board did not enter into executive session.

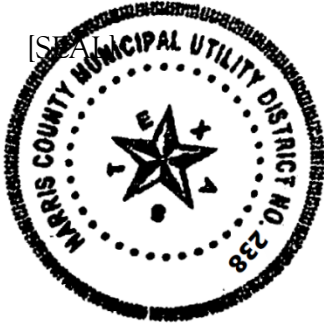
ADDITIONAL PENDING BUSINESS AND SCHEDULE FOR UPCOMING BOARD MEETINGS

The Board concurred to reconvene for their next scheduled Board meeting on April 22, 2025. After no further discussion to come before the Board, Director Crane motioned to adjourn the meeting. Director Julun seconded the motion, which passed unanimously.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

Approved this 22nd day of April 2025.

/s/Steve C.L. Crane
Secretary, Board of Directors



LIST OF EXHIBITS

- Exhibit A - Tax Assessor/Collector's Report
- Exhibit B - Bookkeeper's Report
- Exhibit C - Engineer's Report
- Exhibit D - Detention and Drainage Facilities Report
- Exhibit E - Operations and Maintenance Report