

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238
Minutes of Meeting of Board of Directors
February 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, thus constituting a quorum.

Also present were Creston Minter of H2O Innovation (the “District’s Operator”); Lynnette Tujague of District Data Services, Inc. (the “District’s Bookkeeper”); Taylor Reed of Vogler & Spencer Engineering, Inc. (the “District’s Engineer”); Jonathan Roach, Ray Arce, and Jewel Wheeler 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”); and Mary DuBois of Energy by 5.

PUBLIC COMMENTS

There were no public comments.

MINUTES OF PRIOR BOARD MEETINGS

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

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 Julun seconded the motion, which passed unanimously.

DELINQUENT TAX ATTORNEY REPORT

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

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 revised Maintenance Budget, Director Nelson motioned to approve the Bookkeeper's Report, including the payment of invoices. The motion was seconded by Director Julun and passed unanimously.

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

Mr. Reed noted that due to funding issues, the Canterbury Development project has not broken ground yet.

ENGINEER'S REPORT

Mr. Reed 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, Mr. Reed presented Pay Application No. 4 in the amount of \$37,237.50 and recommends payment by the Board; (2) Capital Improvement Plan; (3) Sanitary Sewer Clean & TV Plan; (4) Surface Water Connection, noting the District's Engineer requests authorization to solicit bids; (5) Emergency Response Plan; and (6) Barkers Ridge Section 1-5 Sanitary Sewer C&TV, noting the construction of this project is substantially complete.

After no further discussion, the Board concurred to approve: (1) Engineer's Report; (2) Pay Application No. 4 in the amount of \$37,237.50; and (3) solicitation of bids for Surface Water connections.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Gray presented and reviewed the Detention and Drainage Facilities Report, a copy is attached as **Exhibit "D"**, noting updates on the various detention ponds and channels. Mr. Gray noted that all the District's drainage and detention facilities look wonderful and are running smoothly.

OPERATIONS AND MAINTENANCE REPORT

Mr. Minter 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, noting backflow preventers were installed at Lift Station 3 as a safety precaution; (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 no new appeals; (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; and (10) Authorize Operator to provide required

information to Districts receiving water through emergency interconnect relative to Consumer Confidence Report.

After no further discussion, Director Julun motioned to approve: (1) the Operations Report; and (2) the District's Operator to provide required information to Districts receiving water through emergency interconnect relative to Consumer Confidence Report. Director Nelson seconded this motion, which passed unanimously.

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 Roach noted that this will be covered under Director Crane's Annual District Newsletter Update.

ENERGY ADVISOR PRESENTATION

Mrs. DuBois discussed the benefits of Energy by 5 becoming the Board's energy advisor. She then requested authorization from the Board to do a complementary electricity analysis and present the findings at an upcoming Board meeting.

After a brief discussion, Director Crane motioned to approve Energy by 5 to perform an electricity analysis of the District's electricity usage. This motion was seconded by Director Nelson and passed unanimously.

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.

Next, Director Crane presented his Annual District Newsletter Update.

REVIEW INSURANCE PROPOSALS (2025-2026)

Mr. Roach noted they sent out requests for proposal and only received a proposal from Arthur J. Gallagher ("AJG"), their current provider. He then reviewed the proposal, advising there would be a \$5,402 increase from the previous year due to the cost of catastrophe reinsurance and property values increasing. After no further discussion, Director Richardson made a motion, seconded by Director Crane, to approve AJG's insurance proposal for the 2025-2026 term. The motion passed unanimously.

ATTORNEY'S REPORT

Mr. Roach noted the Board is required to annually adopt wage rate scales and noted that the

District currently utilizes the same wage rate scales for construction projects as Harris County (the "County"). After a brief discussion, Director Crane made a motion, seconded by Director Nelson, to continue using the same wage rate scales as the County, and to adopt a resolution accordingly. The motion passed unanimously.

Next, Mr. Roach noted the District's required annual filing with the Comptroller's Special Purpose District Public Information Database, indicating the financial information used for the report is taken from the District's most recent audit. Director Nelson then made a motion, seconded by Director Julun, to approve the filing of the District's financial report with the Comptroller. The motion 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 March 25, 2025. After no further discussion to come before the Board, Director Love motioned to adjourn the meeting. Director Julun seconded the motion, which passed unanimously.

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Approved this 25th day of March 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