

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors

October 22, 2024

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 and 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, 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”).

PUBLIC COMMENTS

There were no public comments.

PUBLIC HEARING REGARDING 2024 TAX RATE

The Board opened the public hearing for the proposed 2024 tax rate. Mr. Roach reported that the proposed tax rate is \$0.39555 per \$100 of assessed valuation, consisting of \$0.28 for debt service (“DS”) and \$0.11555 for maintenance and operation (“M&O”). Mr. Roach advised that the proposed rate and corresponding hearing notice had been published as directed by the Board at its last meeting. Upon no additional discussion and no comments from the public, the Board closed the public hearing.

LEVY TAX RATE AND ADOPT ORDER

Mr. Roach presented an Order Levying Taxes for 2024 reflecting the tax rates proposed by the Board. After no questions, Director Nelson moved to adopt the Order Levying Taxes, indicating a 2024 tax rate of \$0.39555 per \$100 of assessed valuation, comprised of \$0.28 for DS and \$0.11555 M&O. Director Julun seconded the motion, which passed unanimously.

AMEND DISTRICT INFORMATION FORM WITH NEW TAX RATE

The Board next considered approving the Amendment to the District Information Form (“DIF”) to reflect the District’s 2024 tax rate. Upon motion by Director Nelson, seconded by Director Julun, the Board voted to approve the Amendment to DIF to be filed with the Harris County real property records and the Texas Commission on Environmental Quality (“TCEQ”) as required by law. The motion passed unanimously.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered the regular meeting minutes of September 24, 2024. After a brief discussion, Director Nelson motioned to approve the minutes subject to suggested changes. Director Julun seconded the motion, which passed unanimously.

INTERLOCAL AGREEMENT AND RELATED MATTERS FOR PLACES 4 PEOPLE TRAIL/ SIDEWALK OPTIONS

Mr. Love provided a brief update regarding the Places 4 People trail/sidewalk construction.

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 Richardson seconded the motion, which passed unanimously.

DELINQUENT TAX ATTORNEY REPORT

Mr. Roach noted that he received a request from the office of Ted Cox seeking permission to terminate water services on three (3) accounts due to nonpayment of taxes.

After a brief discussion regarding the past-due accounts, Director Nelson motioned to approve the termination of water services due to nonpayment of taxes. Director Love seconded the motion, which passed unanimously.

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 no further discussion, Director Julun motioned to approve the Bookkeeper’s Report, including the payment of invoices. The motion was seconded by Director Crane and passed unanimously.

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.

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 all the media has been loaded and training with the District's Operator will begin once the TCEQ approves the design; (2) Capital Improvement Plan; (3) Sanitary Sewer Clean & TV Plan; (4) Wastewater Treatment Facility Fence Replacement; and (5) Sinkhole at Barker's Crossing Pond, noting that construction is complete and recommended payment of pay application in the amount of \$18,425 from Infrastructure Construction Services.

After no further discussion, Director Julun motioned to accept the Engineer's report and approve payment of \$18,425, payable to Infrastructure Construction Services. Director Richardson seconded the motion, which passed unanimously.

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 advised that everything is in great condition.

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; (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 a resident of the District is requesting a payment plan to have services restored; Mr. Minter further noted that the resident owes \$350 and would like to pay \$50 a month in addition to her normal water bill; (6) Lead & Copper Rules Revisions; (7) Storage of excess supplies at WWTP site; and (8) Storm damage assessment, repairs, and readiness.

After no further discussion, Director Nelson motioned to approve the Operations Report and to accept the resident's payment plan. This motion was seconded by Director Richardson and passed unanimously.

EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICTS/WATER SYSTEMS

Mr. Roach briefly discussed the Interlocal Agreements. Then, a discussion ensued regarding the outstanding bill to Addicks Utility District ("Addicks UD") for their unauthorized use of the

District's water via the interconnect. Next, Mr. Minter asked the Board if they would like to completely remove the Addicks UD interconnect, or keep it locked. The Board concurred to keep the interconnect intact but locked year-round unless otherwise coordinated between the two districts operators on an as needed basis.

REVIEW DISTRICT POLICIES

Mr. Roach noted that the District must annually review its policies and asked the Board to defer this matter until next month.

TECHNOLOGY AND WEBSITE UPDATES

Mr. Roach provided an update on the drone footage, noting that he plans to have the drone footage presented at the next Board meeting.

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. He then encouraged the Board to attend the WHCRWA Show and Tell workshop that is to be held on November 13, 2024.

ATTORNEY'S REPORT

Mr. Roach noted that he is working on several concepts for the 2025 Texas Legislative Session, including among others: additional training suggestions for Directors and possible removal options for misconduct. A lengthy discussion ensued regarding Robert's Rules of Order and options for a manual of procedures and related documents which could help provide Directors with an easy-reference for rules and guidance for discussions and decision-making for Directors..

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 hold its next regular meeting on Tuesday, November 26, 2024, at 1:00 p.m. After no further discussion to come before the Board, Director Nelson motioned to adjourn the meeting. This motion was seconded by Director Julun and passed unanimously.

Approved this 26th day of November 2024.

/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