

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238
Minutes of Meeting of Board of Directors
August 27, 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, 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”); and Isabel Mata, of Wheeler & Associates, Inc. (the “District’s Tax Assessor”).

PUBLIC COMMENTS

There were no public comments.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered the regular meeting minutes of July 23, 2024. After no discussion, Director Crane motioned to approve the minutes. Director Julun seconded the motion, which passed unanimously.

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

Directors Love and Crane discussed several issues regarding the Places 4 People and related sidewalk projects, including interference with redlight sequences and the seeming lack of coordination local schools. Director Love stated that he would contact a County representative to discuss further.

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 there were no new changes.

AUDITOR PROPOSAL TO PREPARE FOR FYE AUGUST 31, 2024

The Board concurred to continue its engagement of Mr. Mark Eyring to prepare the audit report for the Fiscal Year Ending ("FYE") August 31, 2024.

FINANCIAL ADVISOR 2024 TAX RATE RECOMMENDATION

Mr. Roach noted that Cameron Thatcher will likely present his 2024 tax rate recommendation at the September Board meeting.

OPTIONS FOR USE OF SURPLUS CONSTRUCTION FUNDS

Mr. Roach noted that he will coordinate with Messrs. Reed and Thatcher for further presentation next month.

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

OPERATING BUDGET FOR FISCAL YEAR ENDING AUGUST 31, 2025

Ms. Tujague, the District's Bookkeeper then presented and reviewed the proposed operating budget for the FYE August 31, 2025. After discussion, Director Nelson then motioned, seconded by Director Julun, to approve the Operating Budget for FYE August 31, 2025, subject to incorporation of any final comments. The motion passed unanimously.

Then, Mr. Reed suggested that the Board adopt a resolution to not install SCADA equipment at this time, which resolution is meant to clarify and any address potential questions from the TCEQ about the intended use of funds in case the District applies for future SCADA equipment funding authorization. The Board also discussed updating the Capital Projects Fund listing to reflect actual expenditures including a reconciliation of the current cash balance with the listed expenditures, noting a significant difference in funds balances is currently reflected.

After discussion, Director Nelson motioned to approve the Resolution for the SCADA installation. Director Julun seconded the motion, which passed unanimously.

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

Mr. Reed provided an update on the Canterbury Development, noting that ground has still not been broken in the construction process.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy is attached as Exhibit "C", and provided the following updates:

- a) Radium Treatment-Ion Exchange Water Plant No. 1 and No. 2, noting that the system has operated with no issues for the past four weeks, and the media will be added and moved online. Mr. Reed then presented and recommended approval of Pay Estimate No. 3 ("Pay Estimate No. 3") for \$124,100 to WETS, LLC.
- b) Capital Improvement Plan. Director Nelson noted that the funds identified in the Capital Improvement Plan do not look balanced. Ms. Tujague advised that this is due in part to a reimbursement amount pending between the District's GOF and construction project fund ("CPF"), noting that she will meet with Mr. Reed to address the matter.
- c) Sanitary Sewer Clean & TV Plan, noting that the District's Engineer rejected this project's first run of videos due to poor quality and required them to be re-recorded.
- d) Wastewater Treatment Facility Fence Replacement, noting that Houston Fence Company, Inc. has completed this repair aside from a transition section that will be finished in the upcoming weeks.
- e) Sinkhole Video at Barker's Crossing Pond, noting that the sinkhole has worsened and has begun to affect the trail. He then confirmed this repair would be completed for \$16,000.
- f) Cell Tower Leasing possibility. Director Richardson noted that the inquiring company is no longer interested in placing a cell tower in the District.

After no further discussion, Director Julun motioned to accept the Engineer's report and approve Pay Estimate No 3. Director Nelson 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 then presented a Harris County Flood Control District ("HCFCD") channel desilt and erosion repair proposal. The proposal includes desilting 200 feet of concrete pilot channel and spreading silt on site, installing 30 feet of riprap, and broadcasting seed to all disturbed areas for \$12,304.

Director Julun motioned to approve the HCFCD channel desilt and erosion proposal for

\$12,304. Director Nelson seconded this motion, which passed unanimously.

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: (i) Repair and maintenance of District facilities; (ii) Report on the manhole inspection; (iii) Options for sanitary sewer line cleaning and issues; (iv) Status of maintenance cost-sharing; (v) Appeals of District charges and customer disconnects; (vi) Lead & Copper Rules Revisions; (vii) Storage of excess supplies at WWTP site; and (viii) Storm damage assessment, repairs, and readiness.

After no further discussion, the Board concurred to approve the Operations Report.

EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICTS/WATER SYSTEMS

Mr. Roach noted that he received feedback from one of the neighboring district attorneys regarding the draft of the new Emergency Interconnect agreement but is still waiting to hear back from the other district attorneys. A lengthy discussion ensued regarding how to prevent these other districts from using the interconnects during emergencies if they do not proceed with the new agreement. Director Love motioned to authorize adding physical locks to the interconnects. This motion was seconded by Director Julun and passed unanimously.

POSSIBLE RATE ORDER AMENDMENTS

Mr. Roach noted that this item can be removed from future Board meeting agendas until further notice.

TECHNOLOGY AND WEBSITE UPDATES

Mr. Roach provided an update on the drone footage, noting that Mr. Blankenship is still working to obtain Federal Aviation Administration permission to fly within the restricted airspace near the West Houston Airport to capture other parts of the District.

DIRECTOR’S REPORTS

Director Julun provided an update from the last West Harris County Regional Water Authority (“WHCRWA”) meeting, including engineering highlights, map updates, and the state of the water supply. He noted that he asked for a tour of the facilities since WHCRWA Board members were granted one, but his access was denied.

Director Love noted that G.O. WEISS has been mowing the property neighboring the District as discussed at prior Board meetings.

ATTORNEY’S REPORT

Mr. Roach discussed House Resolution No. 7525 (“H.R.7525”) defining special districts at the national level, and he reminded the Board that the bill passed through the House of Representatives and is now pending in the Senate, which is in recess until after Labor Day. He then thanked the Board for the continued opportunity to represent the District and work with the Board and great group of consultants.

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, September 24, 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.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Approved this 24th day of September 2024.

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

[SEAL]

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