

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors

August 26, 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 Crane, thus constituting a quorum.

Also present were Creston Minter of H2O Innovation (the “District’s Operator”); Lynnette Tujague of Municipal Financial Management; Taylor Reed of Vogler & Spencer Engineering, Inc. (the “District’s Engineer”); Jonathan Roach*, Ray Arce, Jewel Wheeler, and Jessica Gentry*, who entered later in the meeting, 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”); Joseph Ellis of McCall Gibson Swedlund Barfoot Ellis, PLLC.; Debbie Shelton of Masterson Advisors, LLC.; and John Howell & Alyssa Peruchini of The GMS Group, LLC. [*REMOTE ATTENDEES]

PUBLIC COMMENTS

There were no public comments.

OPERATIONS AND MAINTENANCE REPORT

Mr. Minter presented the Operations and Maintenance Report; attached as Exhibit “A”, 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 no new appeals this month; and (6) Lead & Copper Rules Revisions.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered approval of the regular meeting minutes of July 22, 2025. After a brief discussion, Director Richardson motioned to approve the minutes, subject to the incorporation of the revisions discussed. Director Julun seconded the motion, which passed unanimously.

Mr. Minter exited the meeting.

REVIEW CONSULTANT CONTRACTS

Mr. Ellis presented a proposal for auditor services to the Board on behalf of McCall Gibson Swedlund Barfoot Ellis, PLLC, and exited the meeting following his presentation.

Mr. Howel and Ms. Peruchini then temporarily exited the meeting.

Next, Ms. Shelton, on behalf of Masterson Advisors, LLC, presented a proposal for financial advisor services and exited the meeting following her presentation.

Mr. Howel and Ms. Peruchini re-entered the meeting and presented their financial advisor services proposal on behalf of The GMS Group, LLC, after which they exited the meeting.

Finally, the District's Attorney provided a verbal summary of a financial advisor proposal submitted by Mr. Blitch of Blitch & Associates.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Mata presented the Tax Assessor/Collector's Report; attached as **Exhibit "B"**. After no further discussion, Director Richardson motioned to approve the Tax Assessor/Collector's Report, including payment of checks and uncollectable roll presented therein. Director Nelson seconded the motion, which passed unanimously.

Mr. Minter joined the meeting virtually.

DELINQUENT TAX ATTORNEY REPORT

Mr. Roach noted there was a heavier list than usual, but no action was required by the Board.

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 "C"**. 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.

DRAFT OPERATING BUDGET FOR FYE AUGUST 31, 2026

Ms. Tujague reviewed the Operating Budget for Fiscal Year Ending ("FYE") August 31, 2026. After some discussion, Director Nelson made a motion, seconded by Director Julun, to approve the FYE August 31, 2026, Operating Budget, subject to incorporation of revisions as discussed. The motion passed unanimously.

ENGAGE AUDITOR TO PREPARE AUDIT FOR FYE AUGUST 31, 2025

This item was deferred to the next regular Board meeting.

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

Mr. Reed reported that there were no updates on the Canterbury Development.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, attached as **Exhibit "D"**, and provided updates on the following: (1) Radium Treatment-Ion Exchange Water Plant No. 1 and No. 2; (2) Capital Improvement Plan; (3) Surface Water Connection; (4) Emergency Response Plan; and (5) Barkers Ridge Section 1-5 Sanitary Sewer Clean &TV, noting that the videos received showed this job was not completed as anticipated, but the contractor was only paid for work complete. Mr. Reed noted he is working on the closeout documents.

REVIEW OF POSSIBLE SERIES 2025 BOND ISSUE AND RELATED MATTERS

Mr. Reed noted that the Bond Application Report ("BAR") is currently paused due to District consultant matters.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Gray presented the Detention and Drainage Facilities Report, attached as **Exhibit "E"**, noting no new updates on the various detention ponds and channels. Mr. Gray then presented a proposal for Riprap repair. After a brief discussion, Director Love motioned to approve the proposal for \$3614.60. This motion was seconded by Director Julun and passed unanimously.

REVIEW DISTRICT POLICIES

Mr. Roach explained the statutory requirements for annually reviewing the District's Investment Policy; a copy is attached as **Exhibit "F"**, and the corresponding adoption of a list of approved banks and investment institutions with which the District may invest its funds ("Qualified Brokers List"); a copy is attached as **Exhibit "G"**. He then advised that no changes were necessary for the Investment Policy and that the Qualified Brokers List had been amended accordingly. Next, Mr. Roach presented the Amended and Restated Code of Ethics with Fees of Office Policy ("Code of Ethics"); a copy is attached as **Exhibit "H"**, noting that as a result of the 2025 legislative session, directors are now subject to Cyber Security & Artificial Intelligence training beginning January 1, 2026. After some discussion, Director Nelson motioned for the District to approve the annual review of the Investment Policy, Qualified Brokers List, the amended Code of Ethics, and to adopt the appropriate Order(s)/Resolution(s), as necessary. Director Julun seconded the motion, which passed unanimously.

TECHNOLOGY AND WEBSITE UPDATES

The Board ensued into a lengthy discussion with Ms. Wheeler regarding the proposal for the District's Attorney's website services. Following review and discussion, the Board motioned to (1)

authorize the District's Attorney to proceed with the proposed website services, subject to contractual changes as discussed; and (2) approve the setup of director email accounts.

DIRECTOR'S REPORTS

Director Julun provided an update on the most recent West Harris County Regional Water Authority meeting, including engineering updates and map revisions. Director Julun then discussed National Night Out and the District's Emergency Response Plan, advising directors where it can be found and reviewed.

ATTORNEY'S REPORT

Ms. Wheeler distributed copies of the 2025 Legislative Summary, prepared by the District's Attorney, to the Board and consultants. Mr. Roach encouraged the Board to review the document to understand the legislative changes that were enacted, as well as those that were not, during the recent session.

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 entered into executive session at 2:51 p.m. with the District's Attorney.

RECONVENE IN OPEN SESSION, AND AUTHORIZE ANY ACTION RESULTING FROM EXECUTIVE SESSION

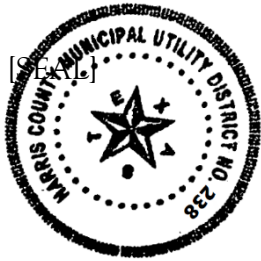
The Board reconvened in open session at 3:02 p.m. After no further discussion, Director Nelson motioned to accept: (1) McCall Gibson Swedlund Barfoot Ellis, PLLC, as the District's Auditor; and (2) The GMS Group, LLC as the District's Financial Advisor, subject to contractual changes as discussed. This motion was seconded by Director Richardson and passed unanimously.

ADDITIONAL PENDING BUSINESS AND SCHEDULE FOR UPCOMING BOARD MEETINGS

The Board concurred to reconvene for their next scheduled Board meeting on September 26, 2025. After no further discussion to come before the Board, Director Nelson motioned to adjourn the meeting. Director Julun seconded the motion, which passed unanimously.

Approved this 23rd day of September 2025.

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



LIST OF EXHIBITS

- Exhibit A - Operations and Maintenance Report
- Exhibit B - Tax Assessor/Collector's Report
- Exhibit C - Bookkeeper's Report
- Exhibit D - Engineer's Report
- Exhibit E - Detention and Drainage Facilities Report
- Exhibit F - Investment Policy
- Exhibit G - Qualified Broker's List
- Exhibit H - Amended and Restated Code of Ethics with Fees of Office