

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238
Minutes of Meeting of Board of Directors
September 24, 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”); Roshell Arterburn 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”); Bear Oakley of Acclaim Energy; and Michael and Larry Valentine, residents of the District.

PUBLIC COMMENTS

Mr. Valentine addressed the Board, noting that he had received two extremely high water bills that did not match his household's actual usage. He then stated that he had a plumber check for leaks and that he did find one. After a lengthy discussion ensued amongst the Board and the Valentines regarding the leak, Mr. Minter stated that he would have a third party conduct a calibration test to determine the root of the leak and investigate other issues that could be at fault. He then noted that he would communicate his findings with Messrs. Valentine.

Messrs. Valentine exited the meeting.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered the regular meeting minutes of August 27, 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. Roach noted that Westlake Municipal Utility District backed out of the interlocal agreement, so a revised agreement is being drafted, subject to Harris County's review. Mr. Roach further noted that this change would not affect the District's contribution amount.

FINANCIAL ADVISOR 2024 TAX RATE RECOMMENDATION

Mr. Thatcher presented and reviewed his 2024 Tax Rate Recommendation. He noted that he is recommending a \$0.28 tax rate for debt service ("DS"), and the Board could levy a \$0.11555 tax rate for maintenance and operations ("M&O"), to equal a total tax rate of \$0.39555. Upon further discussion, Director Nelson motioned, seconded by Director Julun, to authorize the tax assessor to publish notice of a proposed tax rate of \$0.39555 per \$100 of assessed valuation (comprised of \$0.28 for DS and \$0.11555 for M&O).

ENERGY MANAGEMENT AGREEMENT

Mr. Oakley provided an update on CenterPoint's Microgrid program, noting that the District is qualified to be tested to see if its infrastructure can handle a microgrid. Mr. Oakley asked the Board if they were interested in committing to the installation of the microgrid. Director Crane asked the following questions: (a) how large is it; (b) how loud will it be; (c) how long will it run; and (d) who pays for it. Mr. Oakley stated that the microgrid is approximately 10,000 square feet, the size of a 30-car parking lot. He then stated that he would have to follow up regarding answers to the other questions. Director Crane expressed his frustration at not having answers, as these are questions that have been asked on several occasions. He further noted that the Board will not commit to the microgrid until all their questions are answered.

Mr. Oakley thanked the Board for their time and exited the meeting.

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 payments for the 2024 delinquent taxes began in July.

BOOKKEEPER'S REPORT

Ms. Arterburn 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.

DEVELOPMENT REPORTS INCLUDING UTILITY CAPACITY AND/OR

FINANCING AGREEMENT REQUESTS, SITE/FACILITY CONVEYANCES, OPTIONS FOR POSSIBLE ANNEXATION, AND RELATED MATTERS

Mr. Reed provided a brief update on the Canterbury Development, noting that the developer still has not broken ground.

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 WETS, LLC is aiming to finish loading the media in the upcoming weeks. The Report has been submitted to the Texas Commission on Environmental Quality.
- b) Capital Improvement Plan, noting a lengthy discussion regarding project funds. Mr. Reed indicated that he has been working with Ms. Tujague on balancing the funds.
- c) Sanitary Sewer Clean & TV Plan, noting that construction is underway and the District's Engineer continues to receive and review videos.
- d) Wastewater Treatment Facility Fence Replacement, noting that Houston Fence Company, Inc. has substantially completed this project. Mr. Reed presented pay estimated No. 2 for \$21,060.44 and recommended payment.
- e) Sinkhole Video at Barker's Crossing Pond, noting that construction is complete and Mr. Reed expects to present a pay estimate at the next Board meeting.

Next, the Board concurred to hold a special meeting on December 17th, 2024, to tour the Facilities of the District, and to reschedule the regular board meeting on December 24, 2024 to January 3, 2025.

After no further discussion, Director Julun motioned to accept the Engineer's report and approve Pay Estimate No 2. 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 advised that everything is in good 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: (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.

Mr. Minter noted that the Addicks Creek Interconnect on Barker's Ridge was open when he went to install physical locks on all the emergency interconnects. He emphasized that their operator had not communicated with him, so they had used the water without permission. Mr. Roach noted that since their agreement is expired, the District's Operator needs to bill them at their current rate. Director Crane motioned to invoice Addicks Creek at the current water rate. Director Julun seconded the motion, which passed unanimously.

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

Next, Ms. Landin noted that a resident is contesting late fees on her water bill, a lengthy discussion ensued amongst Ms. Landin and the Board regarding this situation. The Board concurred that the late fees are accurate and the resident must pay them.

EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICTS/WATER SYSTEMS

Mr. Roach noted that this item was discussed under the Operator's report.

TECHNOLOGY AND WEBSITE UPDATES

Ms. Wheeler provided an update on the drone footage, noting that the application to the Federal Aviation Administration was canceled due to the uncontrolled airspace, meaning approval to fly the drone is not required.

DIRECTOR'S REPORTS

Director Julun noted that he was unable to attend the West Harris County Regional Water Authority ("WHCRWA") meeting this month.

Director Richardson provided an update on the cell tower leasing possibility, noting that she received an offer regarding the leasing rental rate. The Board expressed their continued disinterest in leasing the property.

Then, Director Crane navigated to the District's website, reviewed the Historical Tax Rate to Value Analysis with the Board, and noted the correlation between a rising value and overall deduction in the District's tax rate.

Ms. Mata and Ms. Arterburn exited the meeting during this report.

ATTORNEY'S REPORT

Mr. Roach noted that there were no updates regarding his Attorney's Report.

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, October 22, 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.

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Approved this 22nd day of October 2024.

/s/C.L. Steve 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