

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors January 5, 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	-	Director

All of the said persons were present, thus constituting a quorum.

Also present were Creston Minter of H2O Innovation (“H2O”); Lynnette Tujague of District Data Services; Taylor Reed of Vogler & Spencer Engineering; Jonathan Roach*, Ray Arce, Debbie Gentry*, Chelby Simpson*, and Dana Huebner of Roach & Associates, PLLC (“RAPLLC”); Scott Gray of Champions Hydro-Lawn, Inc. (“Champions”); and Isabel Mata of Wheeler & Associates, Inc. [*Remote attendees]

PUBLIC COMMENTS

There were no public comments.

REVIEW 2023 AND 2024 DISTRICT ACTION ITEMS AND ANNUAL UPDATES

Mr. Roach reviewed the District’s achievements of 2023, applauding the Board for their financial responsibility and doing a great job managing the District. Mr. Roach said he would provide the highlights and achievements to Director Crane to include in the District’s annual newsletter. Director Julun then motioned, seconded by Director Love, to authorize Director Crane to prepare the District’s 2024 annual newsletter. The motion passed unanimously.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered the regular meeting minutes of November 28, 2023, for approval. After some discussion, Director Nelson motioned, seconded by Director Julun, to approve the revised regular meeting minutes for November 28, 2023. The motion passed unanimously.

POTENTIAL SIDEWALK PROJECT/PLACES 4 PEOPLE PROGRAM

Mr. Arce advised that he has not received any updates since the last meeting in November 2023. Director Julun inquired if Mr. Roach received an email from Ms. McLaughlin regarding the sidewalks. Mr. Roach stated that he received an email regarding a sidewalk replacement issue that was then relayed to the District’s operator (Creston Minter) and the District’s engineer (Taylor Reed), but he has not received an update regarding the Sidewalk Project/Places 4 People Program.

BOOKKEEPER'S REPORT

Ms. Tujague presented the Bookkeeper's Report, including payment of invoices contained therein; a copy is attached hereto as **Exhibit "A"**. The Board had a lengthy discussion regarding paying down bonds early and debt defeasance. Mr. Roach noted that the District's financial advisor (Cameron Thatcher) would likely attend the next meeting in February 2024 and could discuss the topic further during that time.

The Board then requested that Ms. Tujague close the District's certificate of deposit ("CD") accounts and move the money to the Texas Class account. The Board questioned Mr. Roach if there were any pitfalls in doing so, which Mr. Roach confirmed there are penalty payments and possible administrative costs, but they are nominal compared to the interest rates. Then, the Board voted unanimously, upon motion by Director Nelson, seconded by Director Julun, to approve closing the CD accounts and transferring the money to Texas Class. Mr. Roach commented that this action is consistent with the District's investment policy.

After further discussion, the previous motion was amended to include closing the Spirit of Texas Bank CD. Director Nelson then motioned to approve the Bookkeeper's Report, including the payment of invoices. The motion was seconded by Director Julun and passed unanimously.

DEVELOPMENT REPORT

Mr. Reed noted that he is awaiting revised plans from the Canterbury Development's engineer. Director Nelson asked if the Canterbury Development is still proceeding with private facilities, which Mr. Reed confirmed.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report; a copy is attached as **Exhibit "B"**. He then provided the following updates: (1) Radium Treatment – Ion Exchange Water Plant No. 1 & No. 2, stating that W.W Payton Corp. ("WWP") is finishing up the installation of equipment. He also noted that the report has been submitted to the Texas Commission on Environmental Quality, and the approval letter is pending. Mr. Reed presented Pay Application No. 2 for \$203,410, payable to WWP. Director Nelson inquired about the timeframe of completion for the Ion Exchange Project, which Mr. Reed advised WWP should be installing media at the end of February 2024 or the beginning of March 2024; and (2) Wastewater Treatment Facility Fence Replacement, noting the contracts have been executed and the preconstruction meeting took place earlier that morning.

After no further discussion, Director Julun motioned to approve the Engineer's Report, including Pay Application No. 2 for \$203,410, payable to WWP. The motion was seconded by Director Nelson and passed unanimously.

Ms. Tujague exited the meeting.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Mata presented the Tax Assessor/Collector Report; a copy is attached as **Exhibit "C"**. After no further discussion, Director Nelson motioned to approve the Tax Assessor/Collector Report, including payment of checks presented therein. Director Julun seconded the motion, which

passed unanimously.

DELINQUENT TAX ATTORNEY REPORT

Ms. Mata noted there was nothing new to report.

ENGINEER'S REPORT CONTINUED

Director Love inquired about the last item on the Engineer's Report regarding detention pond washout. Mr. Reed stated that the sink hole had not been filled to his knowledge, the Harris County Flood Control District ("HCFCD") is sending out a crew for evaluation purposes, and he is awaiting response from HCFCD to his emails previously sent.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Gray presented and reviewed Champions' Detention and Drainage Facilities Report, a copy is attached as **Exhibit "D"**, noting updates on the various detention ponds and channels. Mr. Gray inquired about trimming the trees along the Barkers Crossing pond/walking trail, reviewing his previous proposal to trim the trees. After some discussion, Director Julun motioned, seconded by Director Love, to approve Mr. Gray's tree trimming proposal for \$6,000. The motion passed unanimously.

OPERATIONS AND MAINTENANCE REPORT

Mr. Minter presented the Operations and Maintenance Report; a copy is attached as **Exhibit "E"**, noting eight (8) district alerts for November and December 2023, which were completed. He then discussed improvements H2O made, including improvements to the wastewater treatment system, sanitary sewer system, lift stations, Water Plant No. 2, and the water distribution system. Director Nelson inquired about proactive steps the District could take regarding the maintenance of the sanitary sewer system. Mr. Reed suggested a rotational method and agreed to bring cost and method proposals to the February 2024 Board meeting for further discussion.

Then, Director Nelson discussed terminations for delinquent accounts, noting that in December 2023 they provided forgiveness for delinquencies, which Mr. Minter confirmed terminations for delinquent accounts will be reinstated in January 2024. Director Nelson then requested confirmation that the agreement with the Westlake Volunteer Fire Department was terminated, which Mr. Roach confirmed at the outset of this meeting was sent out that day and would end in sixty (60) days.

Next, Director Nelson read the appeals for August 2023, including (1) a resident's request to remove delinquent fees, door tag, and late fees equaling \$96.81; (2) a resident's request to remove late fees of \$10.61 due to post office issues; and (3) a resident's request for a payment plan on an outstanding balance of \$152.36. After brief discussion, the Board declined the first appeal and approved the second and third appeals.

Then, after no further discussion, Director Nelson moved, seconded by Director Julun, to approve the Operations and Maintenance Report, including delinquent/cutoffs. The motion passed unanimously.

EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICT/WATER SYSTEMS

There was nothing new to report.

DIRECTOR'S REPORTS

Director Julun provided an update to the West Harris County Regional Water Authority ("WHCRWA") meeting, highlighting the following: (1) the approval of ten (10) WHCRWA construction projects, totaling \$25,205,235.46; (2) the approval of eight (8) work authorizations totaling approximately \$248,000; (3) Carl G. Gibson will conduct the audit for the fiscal year ending ("FYE") December 31, 2023; (4) the adoption of the operating budget and joint facilities budget for FYE December 31, 2024; (5) the authorization of WHCRWA's bookkeeper's preparation of the annual letter to North Fort Bend Water Authority regarding debt service payments due under the Joint Facility Agreement; (6) the report on electricity consumption and energy efficiency measures; (7) ground storage tank interior inspection is required every three (3) years and the storage tank must be drained completely to inspect; and (8) notice of 2024 appointment process for the WHCRWA directors.

TECHNOLOGY AND WEBSITE UPDATES

There was nothing new to report.

FILING OF ANNUAL CONTINUING DISCLOSURE REPORT FOR FYE AUGUST 31, 2023

Mr. Roach noted that the financial advisor (Cameron Thatcher) will prepare and file the Annual Continuing Disclosure Report with the Municipal Securities Rulemaking Board. After no questions, the Board voted unanimously, upon motion by Director Nelson, seconded by Director Julun, to approve the filing of the Annual Continuing Disclosure Report.

SOLICITATION OF BIDS FOR INSURANCE PROPOSALS

Mr. Roach noted that the District's insurance policy with Arthur J. Gallagher ("AJG") expires on March 31, 2024, and asked if the Board would like to solicit bids from additional insurance companies or request a renewal from AJG. Director Nelson moved to solicit additional bids for insurance. The motion was seconded by Director Julun and carried unanimously.

REVIEW ORDER ESTABLISHING OFFICE AND ADDITIONAL MEETING PLACES

Mr. Roach noted that the District is legally required to designate an office and any meeting places outside of the District. He stated that for election purposes, RAPLLC's office in The Woodlands, Texas should be designated as a District office for specific postings and advised that the District could add other meeting places. After some discussion, Director Julun moved to approve designating RAPLLC's office in The Woodlands, Texas, as the District's official office. The motion was seconded by Director Love and passed unanimously.

ATTORNEY'S REPORT

Mr. Roach introduced Ms. Huebner, the new associate attorney of RAPLLC. He then reviewed the filing period for candidates for the 2024 Directors election, beginning on January 17, 2024, through February 16, 2024, and reviewed various other important election dates.

ADDITIONAL PUBLIC COMMENTS

There were no public comments.

All consultants exited except for legal counsel and Mr. Reed.

EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTIONS 551.071, 551.074, ET. SEQ.

The Board, legal counsel, and Mr. Reed entered into executive session at 12:12 p.m.

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

The Board reconvened in open session at 12:30 p.m. and took no action.

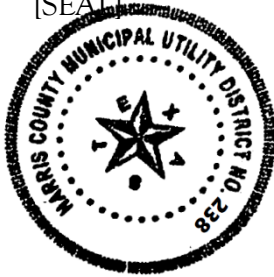
ADDITIONAL PENDING BUSINESS AND SCHEDULE FOR UPCOMING BOARD MEETINGS

The Board then concurred to hold its next regular meeting on Tuesday, January 23, 2024, at 1:00 p.m. After no further discussion to come before the Board, Director Crane motioned to adjourn the meeting. The motion was seconded by Director Nelson and passed unanimously.

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Approved this 23rd day of January 2024.

[SEAL]



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

LIST OF EXHIBITS

- Exhibit A - Bookkeeper's Report
- Exhibit B - Engineer's Report
- Exhibit C - Tax Assessor/Collector Report
- Exhibit D - Champions' Detention and Drainage Facilities Report
- Exhibit E - Operations and Maintenance Report