

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238
Minutes of Meeting of Board of Directors
April 23, 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

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

Also present were Creston Minter, a representative of H2O Innovation (the “District’s Operator”); Lynnette Tujague, a representative of District Data Services, Inc. (the “District’s Bookkeeper”); Taylor Reed, a representative of Vogler & Spencer Engineering, Inc. (the “District’s Engineer”); Jonathan Roach, Ray Arce, and Jennifer Rodriguez, representatives of Roach & Associates, PLLC (the “District’s Attorney”); Scott Gray, a representative of Champions Hydro-Lawn, Inc. (the “District’s Landscaping Consultant”); Isabel Mata, a representative of Wheeler & Associates, Inc. (the “District’s Tax Assessor”); Bryan Dotson, a representative of One Creek West, Inc.; and Barry Hards, a representative of Texas GroundWorks Management, Inc.

PUBLIC COMMENTS

Mr. Hards introduced himself and his landscaping services company to the Board. He passed out flyers with more information and noted he would be happy to support the District’s Operator in any capacity as needed.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered the regular meeting minutes of March 26, 2024, for approval. After some discussion, the Board concurred to defer the minutes.

POTENTIAL SIDEWALK PROJECT/PLACES 4 PEOPLE PROGRAM

Mr. Dotson presented a letter of support for the sidewalk project for the Board to sign and explained that he is no longer asking the Board for a financial commitment to the project at this time. He noted the letter of support will be submitted to Harris County and the City of Houston. A lengthy discussion ensued regarding the potential problems and benefits of the project. Director Julun made a motion, seconded by Director Love, to approve the letter of support for the sidewalk project and to authorize the Board President to sign it. The motion passed unanimously.

FINANCIAL ADVISOR UPDATES

Mr. Roach noted there was no report or update. Next, a lengthy discussion ensued regarding potential arbitrage-related matters. Mr. Roach noted no action was needed and that there were no anticipated arbitrage issues.

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 they received a report from the District's Delinquent Tax Attorney. He then advised that he has been in contact with the District's Delinquent Tax Attorney regarding a developer's delinquent account, advising the delinquency should get settled soon.

RESOLUTION AUTHORIZING PENALTY ON DELINQUENT REAL PROPERTY TAXES

Mr. Roach advised that, pursuant to the Texas Property Tax Code, the District could impose an additional penalty of up to 20% on delinquent real property taxes as of July 1st of each year and that the penalty is essentially to cover the costs of collections by the District's delinquent tax collections attorneys pursuant to their contract with the District. After no discussion, Director Nelson made a motion to adopt a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. The motion was seconded by Director Julun and passed unanimously.

BOOKKEEPER'S REPORT

Ms. Tujague presented the Bookkeeper's Report, including payment of invoices contained therein; a copy 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 Love 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 noted the District's Engineer sent comments to Canterbury Development's Engineer and they provided no objections to the public or private plans.

ENGINEER'S REPORT

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

- a) GIS Upgrade, noting the existing GIS maps are now supported by ArcGIS and

accessible to the Board and the District's Operator via the website portal. Mr. Reed presented the new GIS system to the Board for their review.

- b) Radium Treatment- Ion Exchange Water Plant No. 1 and No. 2, noting Wets LLC inspected the system and they are running a final setup. Then Mr. Reed advised that a report has been submitted to the Texas Commission on Environmental Quality, and they are awaiting the approval letter.
- c) Sanitary Sewer Clean & TV Plan, noting contracts have been submitted via DocuSign to the Board President and Secretary. Mr. Reed reported that the District's Engineer is awaiting the approval of bonds and insurance before executing them. He then advised that they received a bid for the project, but it was too costly.
- d) Wastewater Treatment Facility Fence Replacement, noting construction is substantially complete. Mr. Reed advised that he requested pricing for the two areas discussed at the March meeting and presented the associated costs.
- e) Rate Order Amendments: Mr. Roach reminded the Board of the Rate Order Amendments that were discussed at the February meeting. He advised that changes to the Rate Order have been made and submitted to the District's Engineer and the District's Operator for their review.
- f) Emergency Response Plan: The District's Engineer is working on the Emergency Response Plan and making some changes in verbiage.

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. The Board discussed the project regarding the Harris County Flood Control District Pilot Channel and concurred to proceed with it as discussed at the last meeting.

OPERATIONS AND MAINTENANCE REPORT

Mr. Minter presented the Operations and Maintenance Report; a copy is attached as **Exhibit "E"**. Mr. Nelson inquired why the lift stations' numbers were so different from each other and suggested they switch up the usage so that both lift stations are being used equally.

Next, Mr. Minter reviewed a resident's request to have their current balance lowered to their average bill due to a leak they cannot find. The Board concurred to deny the appeal but provided the resident with a 12-month payment plan to pay off their balance. Mr. Minter then provided an update regarding last month's issue with a resident, noting the District's Operator went to the resident's house and could not find any problems.

Mr. Minter presented the Red Flag Policy noting there were no violations to report. Director Nelson expressed his concern about China hacking into systems around the country and asked Mr. Minter if there was any potential threat. Mr. Minter noted the District's systems were safe.

Then Director Nelson asked about recent regulations that were passed regarding per-and polyfluoroalkyl (“PFAS”) substances. Mr. Roach noted he does not think it will affect the District in any way. Mr. Reed noted they are in a testing phase to see what they find. He noted he does not think it will be relevant to them but noted it will probably be a problem for groundwater. Mr. Roach noted he would be going to Washington, DC at the end of the month to testify in court regarding PFAS. He noted he would provide an update next month.

Ms. Mata exited the meeting.

POSSIBLE RATE ORDER AMENDMENT

This item was discussed during the Engineer’s Report.

TECHNOLOGY AND WEBSITE UPDATES

Director Crane suggested that the remote meeting access information be removed from the website. Mr. Roach noted they could also restrict videoconference access to only consultants and Directors. After no further discussion, Director Nelson made a motion, seconded by Director Julun, to remove the remote access option for residence and to take it off the website. The motion passed unanimously.

Director Crane noted he does not like how the website lists items from the year prior under updates. Upon a suggestion by Mr. Arce, the Board concurred with removing anything under updates that is not from the current year.

DIRECTOR’S REPORTS

Director Julun provided an update from the last West Harris County Regional Water Authority meeting, including engineering highlights.

BOARD VACANCY

Mr. Roach noted there was still an interested candidate to fill the vacant director position and would invite her to attend the May meeting. The Board discussed attendance requirements for Directors, and Mr. Roach noted that he would ask the candidate about her availability to attend meetings.

ATTORNEY’S REPORT

There was nothing to discuss.

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, May 28, 2024, at 1:00 p.m. After no further discussion to come before the Board, Director Nelson motioned to adjourn the meeting. The motion was seconded by Director Love and passed unanimously.

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Approved this 28th day of May 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