HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors
November 28, 2023

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("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 said persons were present thus constituting a quorum.

Also present were Creston Minter and Brenda Landin of H2O Innovation ("H2O"); Lynnette Tujague of District Data Services ("DDS"); Taylor Reed of Vogler & Spencer Engineering ("VSE"); Jonathan Roach, Ray Arce, and Chelby Simpson of Roach & Associates, PLLC ("RAPLLC"); Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("MCEPLLC"); Judith McLaughlin of One Creek West, Inc. ("OCW") and Barkers Ridge Homeowners Association ("BRHOA"); Sevelia Johnson of Oak Ridge Homeowners Association ("ORHOA"); Patricia Richardson of KPM Management ("KPM"); and Marcia Thomas a resident of the District who entered later in the meeting. [*Remote attendees]

APPROVE AND AUTHORIZE FILING OF AUDIT FOR FYE AUGUST 31, 2023

Mr. Eyring presented and reviewed with the Board the draft audit report for the August 31 fiscal year end ("FYE"), noting he still needs to review the certificates of deposits and credit card receipts to finalize the audit report. Mr. Roach advised that the report is required to be filed by January 13, 2024, and after no further discussion, Director Love motioned to approve the audit and filing thereof, subject to final review and comments. The motion was seconded by Director Julun and passed unanimously.

Ms. Thomas entered the meeting during the discussion.

PUBLIC COMMENTS

Ms. Thomas inquired about the Drought Contingency Plan ("DCP") signs, asking when they would be removed. Ms. McLaughlin asked if the District was still in a drought, and Mr. Minter said no and advised that the signs would be taken down immediately.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered for approval the regular meeting minutes of October 24, 2023. After some discussion, Director Nelson motioned, seconded by Director Crane, to approve the regular meeting minutes for October 24, 2023. The motion passed unanimously.

POTENTIAL SIDEWALK PROJECT/PLACES 4 PEOPLE PROGRAM

Ms. McLaughlin reviewed OCW's purpose and goal and noted that the Places 4 People Sidewalk Project was awarded this August. She noted that the project has been moved to the sidewalk gap analysis to evaluate the level of readiness for sidewalk projects and the assessment of cost. She then thanked the Board for their commitment.

Next, Ms. McLaughlin reviewed the Katy East Community Plan ("KECP"), which she stated roughly aligned with their service area, with the key interest being the redevelopment of Fry Road and continued defense of land use issues. Ms. McLaughlin requested a member of the Board to be a part of the MUD portion of the KECP, for which Director Julun volunteered.

Then, Director Crane inquired about an email he had received from the Harris County Flood Control District ("HCFCD"). Mr. Roach noted that the program referenced in the email is likely related to the Community Development Block Grant ("CDBG") and discussed the CDBG program.

Ms. McLaughlin exited the meeting.

DEVELOPMENT REPORT

Ms. Johnson introduced herself as a member of the Oak Ridge Homeowner's Association ("ORHOA"), stating the trail across from Ashley Road is heavily utilized by residents and anticipates even heavier traffic due to ongoing future development. She then asked the Board if they would consider contributing to improvements to the trail. The Board advised that that area has various owners, including HCFCD, and that the District only owns a portion of the land. After a lengthy discussion, Ms. Johnson asked for a copy of the HCFCD contract and requested the Board's consideration of the project, thanking the Board for their time and attention.

Then, Mr. Roach reviewed the Canterbury Development easement. Ms. Richardson asked how the easement would benefit ORHOA, noting she was told it would improve the water line. She then reviewed the initial request for easements on two homeowners' properties, inquiring why they did not initially contact ORHOA. After a lengthy discussion, Mr. Reed advised that Canterbury Development is considering moving forward with a private option, which would no longer require any easements. He stated that upon completion of private facilities, the District would agree to maintain the facilities, but the District would not be reimbursing the utilities.

Ms. Johnson exited the meeting.

TAX ASSESSOR/COLLECTOR REPORT

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

DELINQUENT TAX ATTORNEY REPORT

Mr. Roach noted nothing new to report.

BOOKKEEPER'S REPORT

Ms. Tujague presented the Bookkeeper's Report, including payment of invoices contained therein; a copy is attached hereto as **Exhibit "B."** She requested that H2O use the lockbox account for payments instead of the Stellar Bank account. 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.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy is attached hereto as **Exhibit "C."** He then provided the following updates: (1) Radium Treatment – Ion Exchange Water Plant No. 1 & No. 2, stating that W.W Payton Corp. is setting up the equipment, and once completed, they will run the system without the filter media to ensure all controls are operating properly. He further noted that the report had been submitted to the Texas Commission on Environmental Quality ("TCEQ") and (2) Wastewater Treatment Facility ("WWTF"), noting the contracts are present for signature and Houston Fence Company has ordered the materials.

STATUS OF MAINTENANCE BY CHAMPIONS HYDRO-LAWN, INC.

Mr. Gray presented and reviewed the Champions Report, noting updates on the various detention ponds and channels.

OPERATIONS AND MAINTENANCE REPORT

Director Crane recommended removing the voluntary fire fee from customer bills, as their failure to pay the fee can result in delinquency. Director Love noted that the fee occurred on the bill due to an agreement with the Westlake Volunteer Fire Department ("WLVFD"). Then the Board agreed to remove the fee from billing, subject to the customer requesting such removal, at which time H2O can manually remove the fee. Mr. Roach then reviewed the agreement from 1988, stating it can be terminated with sixty (60) days' notice. After some discussion, the Board concurred to provide a sixty (60) day termination notice to WLVFD for the termination of their agreement.

Mr. Minter presented the Operations and Maintenance Report; a copy is attached as **Exhibit "D,"** noting nine (9) District Alerts for October 2023, which were completed. The Board then discussed the timing of meters being read and the bills being generated, noting it is a very short time frame for customers who wish to mail in a check. After some discussion, the Board requested to make the process more efficient and allow more than eight (8) days for mail-in payments.

Next, Ms. Landin presented appeals for August, including (1) a resident requesting an adjustment to their September bill usage of 21,000 gallons due to a leak; (2) a resident's request to remove the delinquent fee, door tag fee, and late fee, equaling $104.67; (3) a resident's request for a meter change out due to the meter being over a million; (4) a resident's request to remove late fees of $12.89; (5) a resident's request to remove the late fee and door tag fee, equaling $22.53; (6) a resident's request to remove the late fee and NSF fee, equaling $36.92; (7) a resident's request to remove late fees and NSF fees for the last two months, equaling $70.36; and (8) a resident's request to remove the NSF fee of $25.00.

After a brief discussion, the Board concurred to decline appeals one (1) and three (3) and approve the remaining appeals. Then Mr. Roach noted as to request number three (3), that the Rate Order allows a resident to request testing of the meter, but the resident must pay for said testing. The Board asked Mr. Minter to inform the customer of this information. Then, after no further discussion, Director Julun moved, seconded by Director Love, to approve the Operator's Report, including delinquent/cutoffs. The motion passed unanimously.

Ms. Tujague exited the meeting.

EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICT/WATER SYSTEMS

Mr. Roach advised that he had a meeting with Mayde Creek's attorney, who agreed to revisit the emergency interconnect agreement and hopes to do the same with the other two districts.

REVIEW DISTRICT POLICIES

Mr. Roach advised that the District must review its policies annually, noting the Investment policy is pending one update from the legislative session regarding repurchase agreements. After some discussion, the Board concurred to keep the Investment Policy the same and approved the Resolution for Annual Review.

Next, Mr. Roach reviewed previous correspondence with consultants regarding arbitrage compliance. Mr. Roach inquired about potential projects from Messrs. Minter and Reed. Mr. Reed recommended reviewing the District's budget and account balances with the bookkeeper to better understand the amount of funds available and to provide an answer on any potential projects.

AUTHORIZE EMINENT DOMAIN FILING WITH COMPTROLLER

Mr. Roach noted that government entities, including the District, which have eminent domain authority, are required to file an annual report with the Comptroller's office by February 1 each year. Upon a motion by Director Nelson, seconded by Director Love, the Board voted unanimously to authorize the filing of the annual Eminent Domain Report by RAPLLC.

DIRECTOR'S REPORTS

Director Julun reviewed updates from the most recent West Harris County Regional Water Authority ("WHCRWA") and the AWBD Fall Seminar.

TECHNOLOGY AND WEBSITE UPDATES

There was nothing to report.

ATTORNEY'S REPORT

Mr. Roach reminded the Board that the AWBD Winter Conference takes place in Dallas, Texas, on January 19-20, 2023, and registration ends December 13, 2023. Mr. Roach then noted that the 2024 Directors Election was approaching, reviewed the upcoming election timeline, and stated that the Board needed to authorize the posting of the Notice of Application Filing Deadline. After some discussion, Director Julun motioned to approve the posting of the Notice of Application Filing Deadline. Director Nelson seconded the motion, which passed unanimously.

He then briefly noted that RAPLLC had hired a new attorney and thanked the Board for the opportunity to work with them.

ADDITIONAL PUBLIC COMMENTS

Ms. Richardson then requested the Board's permission to store extra supplies at the District's WWTP site. The Board said they would add it to January's agenda.

EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 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 then concurred to hold its next regular meeting on Friday, January 5, 2024, at 11:00 a.m. After no further discussion to come before the Board, Director Nelson motioned to adjourn the meeting. The motion was seconded by Director Julun and passed unanimously.

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Approved this 5th day of January 2024.

/s/ Steve Crane

Secretary, Board of Directors

[SEAL]

LIST OF EXHIBITS

Exhibit A – Tax Assessor's Report
Exhibit B – Bookkeeper's Report
Exhibit C – Engineer's Report
Exhibit D – Operations and Maintenance Report