

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 248

Minutes of Meeting of Board of Directors

February 8, 2023

The meeting of the Board of Directors (“Board”) of Harris County Municipal Utility District No. 248 (“District”) was held at 13205 Cypress North Houston Road, Cypress, Texas on February 8, 2023 with a quorum of Directors present, as follows:

A. Richard Wilson, President
Marie Godard, Vice President
Long Nguyen, Secretary
Richard Ford, Director
Dedrick Wilmer, Director

and the following absent:

None.

Also present were Mr. Jerry Homan; Mr. Brian Breeding; Ms. Pam Magee; Ms. Pat Hall; Ms. Angela Cunningham; Mr. Scott Gray; Mr. Bob Ideus; Mr. Patrick Newton; Mr. Loren Morales; Mr. Dan Muniza; Mr. Kyle Bateman; Ms. Tanhia Bejko; and Ms. Melissa J. Parks, attorney for the District.

The meeting was called to order and declared open for such business as might regularly come before it.

1. The Board opened the floor for public comment. No public comment was presented.

2. The Board unanimously approved the minutes of the meeting held on January 11, 2023.

3. Mr. Muniza of Trammell Crow Company presented a report on development of the Weiser Business Park. Leasing of Phase 1 of the development is approximately 35% complete and once it reaches approximately 60%, leasing will begin in Phase 3. Development of Phase 2 is well underway and should be complete by the end of the second quarter. By the end of the third quarter, Mr. Muniza expects 1,100,000 square feet of space in the park to have been developed. Mr. Muniza is willing to set up a tour of the development if the Board would like it. Regarding conveyance of the Weiser detention pond to Harris County, it was Mr. Muniza’s understanding that Harris County Commissioners will consider approval of the proposed Interlocal Agreement for joint use and conveyance of the pond at a March Commissioner’s Court meeting. Mr. Muniza discussed additional projects remaining to be reimbursed by the District and believed funding may be appropriate in about a year. The Board asked about Trammel Crow’s interest in acquiring the property across Huffmeister. The Board thanked Mr. Muniza for the report on development.

4. Mr. Bob Ideus presented the bookkeeper’s report. He reviewed the report with the Board as well as a draft budget for the fiscal year ending March 31, 2024. Mr. Ideus

had received input from the operators, including the amount of the annual Consumer Price Index-based rate adjustment under the District's operating, wastewater treatment, and water supply agreements with Harris County FWSD 61. After further discussion of the budget, Mr. Ideus invited additional comments and input before its adoption next month. Director Wilson requested that the bookkeeper prepare a seasonally adjusted budget for review in addition to the standard operating budget. Thereafter, upon motion duly made, seconded, and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon.

5. Ms. Hall presented the tax assessor-collector's report indicating 2022 taxes are 37.6% collected through January 31. She noted receipt of additional collections to date of approximately \$1,670,000. Ms. Hall presented data on the number of taxable units in the District, noting that 62% of the units are residential and 34% are commercial (real and personal). The Board requested information on the taxable values attributable to residential and commercial properties. Thereafter, upon motion duly made, seconded, and unanimously carried, the Board approved the tax assessor-collector's report and the checks drawn on the tax fund.

6. The Board considered adoption of an over 65/disabled homestead tax exemption. Mr. Morales addressed the Board and presented an analysis showing the effect of increasing the exemption from the current amount. Upon review and discussion, the Board voted unanimously to adopt the attached Order adopting a 2023 residence homestead exemption of \$35,000 for persons 65 or older or disabled.

7. The Board reviewed an Order levying an additional 20% penalty on delinquent 2022 taxes. Upon motion duly made, seconded, and unanimously carried, the Board approved the action and adopted the Order.

8. The attorney confirmed that her office would prepare and submit to the Texas Comptroller the annual report due under Senate Bill 625 (Texas Local Government Code, Chapter 203, Subchapter D).

9. Mr. Breeding presented the operator's report indicating that there were 709 connections within the District. The operators took 10 bacteriological samples and conducted ongoing oil and grease sampling and review of commercial establishments. Water accountability was 102% for the prior month, with 10,899,000 gallons of water purchased. Electrical repairs had been completed at the Huffmeister lift station, and the lift station's check valves were also replaced. The Board considered an increase to the dollar amount authorized for repairs or replacements with which the operator may proceed outside of a Board meeting. The matter was discussed in detail, and upon motion duly made, seconded, and unanimously carried, the Board by way of this minute entry authorized the operators to proceed outside of a Board meeting with repairs or replacements the operators determined necessary in an amount not to exceed \$15,000 without obtaining prior consent from a director; further, if a repair or replacement is needed that will cost between \$15,001 and \$25,000, the operator was authorized to proceed outside of a Board meeting upon obtaining the consent of one Board member, ideally, the Board president.

10. The Board considered amendment of the District's Order Establishing Policy and Rates for Water and Sewer Service to add language addressing extreme weather

emergencies under Senate Bill 3 adopted in 2021. After discussion, upon motion by Director Wilmer, seconded by Director Ford, the Board voted unanimously to adopt the attached resolution for adoption of the Order.

11. The Board reviewed the District's Identity Theft Prevention Program and noted that no changes to the program are required at this time. Accordingly, the Board unanimously adopted the attached Resolution Affirming Identity Theft Prevention Program.

12. Mr. Gray presented the detention pond operations report, noting that upon recent inspection, no unusual conditions were noted at the District's ponds. Spring overseeding and fertilization will be done next month. Mr. Gray noted the county has not yet repaired the outfall.

13. Mr. Newton presented the engineer's report. He recommended transfer of the Weiser Pond stormwater quality permit to the District and removal and replacement of the stormwater quality feature (trash rack) prior to transfer of the pond to Harris County. After discussion, the Board agreed unanimously to proceed as recommended. A pre-construction meeting with LGG Construction is being scheduled on the project for construction of the north water line loop. Funds for this project were included in the District's Series 2022 bond issue. The Board asked the engineer about any activity on the property across Huffmeister from the Weiser Business Park. Mr. Newton stated he had been contacted informally by an engineer for a party interested in this tract about possible service from and annexation by the District, and he had indicated that any investigation of the feasibility of such service or annexation would be conducted in accordance with the District's standard practice. It is Mr. Newton's understanding that less than 100% of the area of the tract is developable. Finally, there was discussion regarding piles of dirt on Trammell Crow's tract south of Fallbrook, and Mr. Newton understood this dirt was being used by Trammell Crow for private development on its northern tract.

14. There was no further information on the proposed Interlocal Agreement with Harris County regarding joint use and conveyance of the Weiser detention pond beyond discussions earlier in the meeting that the matter was anticipated to be placed on a March Commissioner's Court agenda for approval.

There being no further business to come before the Board, the meeting was adjourned.

Secretary