

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 248**

Minutes of Meeting of Board of Directors

September 13, 2023

A 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 Wednesday, September 13, 2023 at which a quorum of Directors was present, as follows:

Marie Godard, Vice President

Deddrick Wilmer, Director

Richard Ford, Director

and the following absent:

A. Richard Wilson, President

Long Nguyen, Secretary.

Also present were Mr. Jerry Homan; Mr. Brian Breeding; Ms. Pam Magee; Ms. Pat Hall; Ms. Angela Cunningham; Mr. Patrick Newton; Mr. Scott Gray; Mr. Jorge Diaz; Ms. Jennifer Hanna; Ms. Leslie Cook; Mr. Dan Muniza; Ms. Tanhia Bejko; Ms. Ronda Shepherd; and Ms. Melissa J. Parks, attorney for the District.

In the absence of the President, the Vice President of the Board called the meeting to order and declared it open for such business as might properly come before it. In the absence of the Secretary, Director Wilmer was designated Secretary Pro Tempore and was authorized to sign these minutes and attest documents adopted at this meeting.

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

2. The Board considered the minutes of its meeting held August 9, 2023. Upon motion by Director Wilmer, seconded by Director Ford, the Board voted unanimously to approve the minutes as presented.

3. Ms. Jennifer Hanna presented the developer reimbursement audit for District reimbursement of construction and engineering costs for the eight inch water line to serve the Weiser Business Park north building using Series 2022 bond proceeds. The audit indicates that a reimbursement amount of \$376,004.51 is due to Weiser Business Park Land LLC. After review, the Board unanimously approved the audit and authorized reimbursement of the amount set forth therein to the named developer.

4. The Board discussed issuance of bonds to reimburse the developer for road facilities constructed to serve the Weiser Business Park within the defined area. Since the last meeting, the District's engineer had prepared a summary of project costs, which the District's financial advisor and developer Dan Muniza reviewed and discussed. As mentioned at the Board's last meeting, in order to decide when to request reimbursement, Trammell Crow needed information on the additional tax rate the District would impose within the defined area to support bonds to be issued to reimburse the developer. The District had since obtained the taxable value of property within the defined area, and Ms. Cook had prepared a debt service cash flow for a bond issue of \$5,270,000 based on the engineer's summary of construction and soft costs. Ms. Cook calculated the tax rate necessary to support such a bond issue. After review of this information, Trammell Crow is now requesting that the District issue bonds and reimburse

the developer. To that end, upon unanimous vote, the Board authorized its consultants to take actions as appropriate to prepare bond offering documents for Board review and approval in October, followed by advertisement for a sale of bonds in November that are scheduled to close in December.

5. Pat Hall presented the tax assessor-collector's monthly report, indicating that 2022 taxes were 97.8% collected through August 31. The Board discussed collection of delinquent property taxes and reviewed a list of three real property accounts subject to termination of water service if the accounts remain unpaid after Friday, September 22. After review, the Board authorized service termination if the accounts remain unpaid. After further discussion of the tax assessor-collector's report, upon motion duly made, seconded, and unanimously carried, the Board approved the report as presented and authorized release of the checks drawn on the tax fund.

6. Ms. Cook presented the financial advisor's reports on a 2023 tax rate within the District as a whole and within the defined area. Ms. Cook suggested that the District set a total tax rate of \$0.42, comprised of a debt service rate \$0.21 and a maintenance & operations rate of \$0.21. Within the defined area, Ms. Cook suggested that an additional debt service tax rate of \$0.36 would be sufficient to meet the 2024 debt service obligations of bonds issued to reimburse the developer for road facilities in the defined area. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the attached Resolution Finding the District to be a Developing District, Calling Public Hearing on 2023 Tax Rate and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing with a total tax rate of \$0.42 for the entire District. Further, upon unanimous vote, the Board approved the attached Resolution for the Defined Area Finding District to be a Developing District, Calling Public Hearing on 2023 Tax Rate, and authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing for a total tax rate of \$0.36 within the defined area.

7. In connection with proposal of 2023 tax rates, and as required under the Texas Tax and Government codes, the attorneys will provide information to the operator for posting the proposed tax rates on the internet.

8. Ms. Parks reported that in connection with amendments to the Texas Water Code enacted during the regular 2023 legislative session, the form of the Notice to Purchasers document required to be given to all purchasers of real property located in a water district had been modified and must be updated with information specific to the District and posted on the internet along with other documents the District is required to post under the Texas Water and Government codes. Ms. Parks noted the District's notices have been so modified and sent to the tax assessor collector for posting. She now requested Board execution of an Amendment to Statement of Directors containing the updated forms for recording in the Harris County Real Property Records, and the Board executed same.

9. Jorge Diaz of McLennan & Associates, L.P. presented the bookkeeper's monthly report, which he reviewed in detail with the Board. Mr. Diaz reviewed checks presented for payment of current bills and a budget comparison report reflecting activity during the first five months of the fiscal year ending March 31, 2024. Check No. 1276 written on the capital projects fund account and payable to Weiser Business Park Land LLC was voided and replaced with check No. 1277 to the same payee in the amount of \$376,004.51. The Board then

discussed the transition of bookkeeping services from Municipal Business Services to McLennan and was advised by Mr. Diaz about documentation still needed from the former bookkeeper, which McLennan is working to obtain. After further discussion of the report, upon motion duly made, seconded, and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon, as discussed above.

10. Jennifer Hanna presented the audit report for the District's fiscal year ended March 31, 2023. After review, upon motion duly made, seconded, and unanimously carried, the Board approved the audit and authorized its distribution to the appropriate parties.

11. Ms. Parks presented the attached Resolution Affirming Review of Investment Policy, Strategies, and Objectives and list of broker/dealers. Upon motion duly made, seconded, and unanimously carried, the Board approved the Resolution indicating the Board's review of the policy with no changes necessary.

12. Brian Breeding presented the operator's report, indicating 727 bills were prepared during the month, including two refunds, and that water accountability for the month was 102%, with 19,925,000 gallons purchased by customers. Mr. Breeding confirmed that Stage I voluntary drought measures had been imposed beginning in August and remain in place at this time. A well of Harris County FWSD No. 61 is down at this time but should not pose a problem with water supply to the District. Mr. Breeding reported that the North Harris County Regional Water Authority recently lowered its pumpage and purchase rates by \$0.50 per thousand gallons effective October 1, 2023. The Board agreed this reduction should be passed through to the District customers in accordance with the District's Rate Order. The Board discussed amendment of the Rate Order and Fee Schedule, but Ms. Parks stated no amendment is necessary, as both documents provide that the District is to assess to its customers a fee per thousand gallons that is equal to the then-current fee assessed by the Authority. The operators also mentioned that the Authority had recently approved construction of line segment 132E which will transmit water to the area of the District.

The operators discussed upcoming work by Ezee Fiber to install fiberoptic cable throughout the Houston area, including within the District. The operators have proactively met with representatives of Ezee Fiber and its subcontractor to discuss avoiding damage to District facilities and to provide notice that District costs to repair any such damage will be backcharged too Ezee Fiber. As and if damage occurs, the operators will send backcharge invoices, and the Board agreed that if they remain unpaid after 30 days, the attorney should follow up with a demand letter. After further discussion of operating matters, the Board approved the report as presented.

13. Scott Gray presented the detention pond operations report. The new screen to be installed at The Reserve at 290 Commons pond is still in production. Mr. Gray reported a sinkhole in White Oak Falls pond no. 1 which had occurred due to a hole in the corrugated pipe. Mr. Gray is working with the District's operator and engineer on actions necessary to address this matter and will make a recommendation for Board consideration. Mr. Homan recommended evaluating all galvanized pipes in White Oak Springs pond no. 1 and formulating a comprehensive plan to address any issues.

14. Mr. Newton presented the monthly engineer's report. Construction of the

traffic signal by CityLynx is complete and the signal is active. Harris County FWSD No. 61 has advertised for the planned sanitary sewer and manhole rehabilitation projects and is reviewing bids, and Mr. Newton expects to receive a recommendation of award letter for presentation at the Board's October meeting. Mr. Newton then reviewed the summary of costs for the road facilities. Regarding the Huffmeister Road and Hempstead Road tracts within the District (triangle tract), Mr. Newton and Mr. Homan are coordinating a meeting with Steve Quance of Drake Enterprises, LLC, owner of several properties within the triangle tract, concerning his request that the District fund the cost of facility extensions necessary to serve the triangle tract. Finally, regarding earlier discussions about evaluation of outfall pipes, Mr. Newton noted he will incorporate any such results within the District's 10-year capital improvements plan. After further discussion, the Board approved the engineer's report.

15. The Board discussed the status of conveyance to the District of a small Weiser BP Land tract north of Fallbrook Drive and finalization of an agreement for developer mowing and maintenance of such tract. As noted last month, the developer has revised the covenants, conditions, and restrictions of the business park so that they no longer burden this particular tract, and the conveyance, mowing, and maintenance agreement has been finalized for Board approval. Upon motion by Director Wilmer, seconded by Director Ford, the Board unanimously approved and executed such agreement and agreed to accept conveyance of the tract.

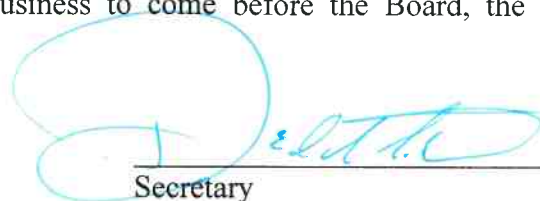
16. The Board discussed the status of closing and funding of conveyance of the Weiser detention pond to Harris County. There has been no change since the last meeting, but Ms. Parks remains in close contact with Harris County and its title company about the transaction. The Board also authorized Dan Muniza and Jerry Homan to separately communicate with the County on the subject.

17. The Board approved and executed an application for renewal of the District's cybersecurity insurance policy.

18. The Board reviewed an annual arbitrage analysis report prepared by Municipal Risk Management Group, LLC. The report covered all series of outstanding District bonds and indicated no action is necessary at this time.

19. The Board discussed pending business and reviewed two articles dated August 9 about Amtrak's possible revival of its now dormant high speed rail project between Dallas and Houston. As contemplated, the route will travel in part through the District and may greatly impact a portion of White Oak Falls within the District. Finally, there was brief discussion about the 2023 valuation of taxable property owned by Tesla within the District, which the tax assessor-collector noted her office continues to monitor.

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

  
Secretary

**AMENDED**

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 248**

**NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **13205 Cypress North Houston Road, Cypress, Harris County, Texas.** The meeting will be held at **11:30 a.m. on Wednesday, September 13, 2023.**

The subject of the meeting is to consider and act on the following:

1. Public comments
2. Minutes of meeting held August 9, 2023
3. Developer's report; Weiser Business Park development; reimbursement of costs of water, sewer, drainage and road facilities; developer reimbursement audit for north water line loop project; as appropriate, authorize reimbursement from bond proceeds
4. Harris County MUD No. 248 Defined Area Unlimited Tax Road Bonds; Review and Approve Plan of Financing
5. Tax assessor-collector's report; invoices and checks; status of delinquent taxes; authorize appropriate actions
6. Review Truth in Taxation calculations and recommendation for District's 2023 tax rate; Resolution (1) Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, (2) Calling Public Hearing on 2023 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing
7. Update District website to include proposed 2023 tax rate and Notice of Public Hearing
8. Amendment to Statement of Directors for new Notice to Purchaser form
9. Bookkeeper's report; review of checks and invoices; payment of bills; investment of District funds; depository pledge agreement with Amegy Bank
10. Audit report for fiscal year ended March 31, 2023; Resolution Affirming Review of Investment Policy, Strategies and Objectives and list of broker/dealers
11. Arbitrage rebate report
12. Operator's report; repair and maintenance of District water, sewer, and drainage facilities; customer appeals and account adjustments; termination of service for delinquent accounts; authorize writing off uncollectable accounts
13. Detention pond operator report; authorize repair and maintenance
14. Engineer's report; project design, approve award of construction contracts; approve change orders, pay estimates, and advertisement for bids; utility commitments; advertisement for bids; capital improvements plan; summary of costs for road bond issue

15. Water and sewer service to 290/Huffmeister/Hempstead triangle tract
16. Agreement for mowing and maintenance of Weiser BP Land, LLC tract and conveyance of tract to District
17. Closing and funding conveyance of Weiser Detention Pond to Harris County under Joint Participation Interlocal Agreement and reimbursement of developer
18. Application for renewal of cybersecurity insurance policy
19. Pending business



*Melissa J. Parks*

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Melissa J. Parks  
Attorney for the District