

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 248

Minutes of Meeting of Board of Directors

February 14, 2024

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, February 14, 2024, at which a quorum of Directors was present, as follows:

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

and the following absent:

Long Nguyen, Secretary.

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

The 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 Director Nguyen, the Board designated Director Wilmer as Secretary Pro Tempore.

1. The Board opened the floor for public comment. No public comments were offered.

2. The Board reviewed the minutes of its meeting held January 10, 2024. Upon unanimous vote, the Board approved the minutes as presented.

3. Jorge Diaz presented the bookkeeper’s monthly report, reviewing the checks reflected thereon and activity in each District account. He noted the report now separately reflected Defined Area-related accounts, and he confirmed sales tax payments transmitted from the City of Houston were now current. Mr. Diaz presented a comparison of actual versus budgeted general operating revenues and expenditures to date for the fiscal year ending March 31, 2024. Revenues were higher than budgeted and expenditures were lower. Upon the bookkeeper’s recommendation, the Board agreed unanimously to execute a debit card agreement with Frost Bank which will also allow the bookkeepers to access the District’s accounts online. The bookkeeper will destroy the debit card upon issuance, as the card will not be used. Mr. Diaz then reviewed a schedule of all District investments and thereafter, upon motion by Director Godard, seconded by Director Ford, the Board unanimously approved the bookkeeper’s report as presented and authorized release of the disbursements listed thereon.

4. The Board considered review of a draft budget for the fiscal year ending March 31, 2025. Mr. Diaz will consult with the District’s operators and prepare a draft for Board review and action next month.

5. Pat Hall presented the tax assessor-collector's regular monthly report. Through January 31, the 2023 taxes were 40.5% collected, but unofficially to today's date, they are 93% collected. Certified taxable value within the District for 2023 is now \$754,285,476. Ms. Hall reviewed proposed disbursements from the tax account amounting to \$77,515.43, of which several were taxpayer refunds due to overpayments or adjusted certified values. Ms. Hall next reviewed a monthly report concerning taxes levied in the District's Defined Area. Through January 31, the 2023 taxes were 12.9% collected, with unofficial collections to date at 97%. Disbursements proposed from the Defined Area tax account amounted to \$713.92, and the 2023 certified taxable value within the Defined Area had risen to \$69,048,189. After further discussion, upon unanimous vote, the Board approved both reports as presented and authorized release of the disbursements listed thereon.

6. The Board reviewed and thereafter unanimously approved an Order confirming engagement of delinquent tax collection attorneys and levying an additional 20% penalty on 2023 taxes remaining outstanding at April 1, 2024 (personal property) and July 1, 2024 (real property).

7. Ms. Parks reported on the requirement under § 203.61 of the Texas Local Government Code that municipal utility districts annually provide certain records and information concerning the District's finances and tax rates to the Texas Comptroller. The Comptroller posts this information on its Special Purpose District Public Information Database. The attorneys will prepare and submit the required information by the April 1, 2024 deadline.

8. Brian Breeding presented the operator's report, indicating water accountability for the month was 103%, with 11,228,000 gallons purchased by customers. 736 bills were prepared during the month, including eight refunds.

Lift pump No. 1 at the White Oak Falls lift station had been repaired for less than \$9,000 and reinstalled last Friday. Lift pump No. 1 at the Huffmeister lift station failed on Monday and a temporary replacement pump was installed. The operators are obtaining a quote for repair or replacement and estimated the cost at \$15,000. After discussion, the Board authorized repair or replacement at a cost not to exceed \$15,000. Mr. Breeding reported the operators will complete the annual water reporting form required by the Texas Water Development Board by the applicable deadline.

Jerry Homan addressed the Board and reported on a resident's complaint about submergence of the sidewalk at a District pond after heavy rain events. Mr. Homan visited the site which is in the area of a pipeline easement and believes installation of a pipe under the sidewalk will improve the situation. The operators will obtain a proposal for this work for Board review. Mr. Homan then discussed recent actions of the North Harris County Regional Water Authority, including consideration by its board about lowering the groundwater pumpage and water purchase rates by \$2.00 per 1,000 gallons. The Authority's financial advisor advised against it, and the board took no action at the meeting. Director Wilmer reported he had attended the most recent Authority meeting, and he thanked Mr. Homan for his advocacy on behalf of the District and all districts within the Authority. After further discussion of operating matters, the Board approved the monthly report as presented.

9. It was reported that the Board was required to review the District's FTC Identity Theft Red Flag Program on an annual basis. The attorney recommended no changes to the program, and the operators confirmed their implementation of the program and indicated no red flag incidents had occurred in 2023. Accordingly, upon unanimous vote, the Board adopted the attached Resolution Affirming Identity Theft Prevention Program.

10. Patrick Newton reviewed the monthly engineer's report. An inspection of paving in Weiser Business Park is scheduled for Friday in connection with the process for conveyance of maintenance responsibility for the roads and storm sewer to Harris County. Mr. Newton reported the sanitary sewer and manhole rehabilitation projects are underway in Fresh Water Supply District No. 61 and the contractor is working on pipe-bursting the sanitary lines. Mr. Newton will attend a construction progress meeting scheduled for the end of the month.

The service line inventory required under the revised EPA lead and copper rules is underway and expected to be completed in 30 to 45 days. Also underway is the project for replacement of outfall pipes in White Oak Springs and White Oak Falls ponds. A proposed letter of no objection to a portion of the project had been received from pipeline company Gulf South, which the engineer and attorney recommended for execution by the Board President. There was no invoice yet from Champions Hydro-Lawn for this project, but work was expected to be complete in the near future. After further discussion, the Board unanimously approved the engineer's report as presented.

11. Scott Gray presented the monthly detention pond operations report. He reviewed photographs showing conditions at all ponds and described work that is underway in several locations. Mr. Gray then discussed a proposed revision to Champions Hydro-Lawn's annual maintenance budget. The revision would remove maintenance of the Weiser detention pond and reduce the annual budget by \$34,049.50. The Board unanimously agreed with this revision since the pond is no longer owned by the District. Finally, Mr. Gray described a sinkhole in the backslope swale of the White Oak Falls pond. He presented an \$8,760 repair proposal and noted that Bermuda sod would be used. Upon motion by Director Ford, seconded by Director Wilmer, the Board voted unanimously to accept the proposal and further, to approve Mr. Gray's report.

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

Secretary