

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 248

Minutes of Meeting of Board of Directors

March 13, 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, March 13, 2024, at which a quorum of Directors was present, as follows:

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

and the following absent:

Richard Ford, Director.

Also present were Ms. Angela Cunningham; Mr. Jorge Diaz; Mr. Brian Breeding; Mr. Jerry Homan; Mr. Scott Gray; Mr. Patrick Newton; Ms. Leslie Cook; Ms. Wendy Ramirez; 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.

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

2. The Board reviewed the minutes of its meeting held February 14, 2024. Upon unanimous vote, the Board approved the minutes as presented.

3. Angela Cunningham presented the tax assessor-collector’s regular monthly report. Through February 29, the 2023 taxes were 94.6% collected. Ms. Cunningham reviewed proposed disbursements from the tax account amounting to \$15,923.75, of which three were for taxpayer refunds due to overpayments or adjusted certified values. Ms. Cunningham next reviewed a monthly report concerning taxes levied in the District’s Defined Area. Through February 29, the 2023 taxes were 99.7% collected. Disbursements proposed from the Defined Area tax account amounted to \$1,199. Finally, the Board discussed the depository pledge report and thereafter, upon unanimous vote, the Board approved both monthly reports as presented and authorized release of the disbursements listed thereon.

4. Brian Breeding presented the operator’s report, which indicated water accountability for the month was 103%, with 10,945,000 gallons purchased by customers. 722 bills were prepared during the month, including four refunds.

Mr. Breeding discussed quotes that the operators had obtained for either repair or replacement of lift pump No. 1 at the Huffmeister lift station. The operators recommended repair for \$28,520 as proposed, and after discussion, the Board unanimously agreed. Mr. Breeding next reported that two additional drains have been installed at the White Oak Falls walking trails in an

effort to prevent standing water from collecting after heavy rain events.

The operators discussed the software program currently used for billing District customers. The billing software is not compatible with the Water Smart application used with smart meters. The operators have obtained new software which is compatible and will begin using it for billing purposes. The bills produced by the new software are in a different format, which the operators presented for the Board's information. The operators also suggested that the Board consider authorizing provision of termination notices by way of the United States Postal Service instead of by hanging or posting them on the doors of customers subject to termination of service for delinquency in payment. The Board discussed the subject and agreed that if the change were made, the District would need to provide advance notice to all customers, including by posting information on the District's website and encouraging customers to pay online or sign up for automatic monthly payments. It would also be necessary to amend the District's Rate Order, as it currently requires hand delivery or posting of a handbill on the door at the location where service is to be terminated. After discussion, upon unanimous vote, the Board agreed to authorize the change in method of providing notice upon amendment of the Rate Order, which amendment the Board would consider at the next regular meeting. After further discussion of operating matters, the Board approved the monthly report as presented.

5. The Board agreed to table discussion of adoption of a Drought Contingency Plan and a Water Conservation Plan until the next regular meeting.

6. Patrick Newton reviewed the monthly engineer's report. An inspection of paving in Weiser Business Park occurred on February 16. The engineers are coordinating the punchlist items with Harris County before forwarding the list to the contractor for completion. The sanitary sewer and manhole rehabilitation projects are ongoing in Fresh Water Supply District No. 61, and the District's engineers will be receiving detailed information from No. 61's engineer.

Mr. Newton reported that he, Mr. Homan, and Mr. Breeding had met with the owner of several properties comprising the Huffmeister Road and Hempstead Road tracts within the District (triangle tract) to discuss a potential water, sewer, and lift station project. Mr. Newton and the operators discussed details of this meeting with the Board and a general estimate of costs to provide utility service to the triangle tract. The Board agreed to defer further discussion on the subject until the property owner is in attendance.

Mr. Newton reported the service line inventory required under the revised EPA lead and copper rules is underway and expected to be completed in the next 30 days. Mr. Newton also discussed the project for replacement of outfall pipes in the White Oak Springs and White Oak Falls ponds. The work in White Oak Springs is complete and will be discussed further by Scott Gray. Work will not proceed in White Oak Falls until the fully executed Letter Of No Objection has been received from pipeline company Gulf South. Finally, Mr. Newton stated that proposals for rehabilitation of the White Oak Falls and Huffmeister Lift Stations are planned to be obtained this summer, and advertisement for the projects could begin in the third quarter of this year. The Board generally discussed capital improvements, asking Mr. Newton if construction of facilities to provide service to the triangle tract could proceed in the same time frame. Mr. Newton noted that facilities to serve the triangle tract have not yet been designed, but

the Board could authorize design to begin in the same timeframe if an agreement is reached with the landowners concerning payment of costs, acquisition of easements, and related matters. After further discussion, the Board unanimously approved the engineer's report as presented.

7. 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. He then proceeded to describe replacement of outfall pipes in the White Oak Springs pond and presented photographs showing details of the work. He noted project costs had come in at \$123,002 and that there had been an approximately \$3,000 cost reduction due to the use of 48-inch HDPE pipe instead of 84-inch pipe. The Board discussed the source of payment for the project, noting it intends to use surplus capital projects funds once the entire project is complete. After further discussion, upon unanimous vote, the Board approved Mr. Gray's report.

8. At this point, Director Godard exited the meeting.

9. The Board discussed the director election called for May 4, 2024. No candidates for the office of director were opposed. Accordingly, the Secretary of the Board executed a Certificate of Unopposed Candidacy and No Declared Write-In Candidates. Thereafter, upon motion duly made, seconded, and unanimously carried, the Board adopted the attached Order Declaring Unopposed Candidates Elected and Cancelling Election. The terms of office of the persons declared elected will begin at the Board's first meeting held after May 4.

10. Jorge Diaz presented the bookkeeper's monthly report, reviewing the checks reflected thereon and activity in each District account. There is an approximately 30-month reserve in the District's general fund account. Mr. Diaz presented a comparison of actual versus budgeted general operating revenues and expenditures through February, 2024. Thus far, actual revenues were greater than budgeted, and actual expenditures were less. Next, Mr. Diaz presented and reviewed a proposed budget for the District's fiscal year that would end March 31, 2025. He noted he had conferred with the District's operators and other consultants before distributing the budget to the Board. The Board carefully reviewed the proposed budget and asked questions, which Mr. Diaz and other consultants answered accordingly. The proposed budget projected an operating surplus at the end of fiscal 2025. After further discussion, upon unanimous vote, the Board adopted the attached Resolution Adopting Operating Budget. Further, upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized release of all disbursements listed thereon.

11. Wendy Ramirez of Forvis, LLP presented a proposal to conduct the District's audit for the fiscal year ending March 31, 2024. Upon motion by Director Wilmer, seconded by Director Nguyen, the Board voted unanimously to accept the proposal.

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

Secretary