

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 248

Minutes of Meeting of Board of Directors

October 9, 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, October 9, 2024, at which a quorum of Directors was present, as follows:

A. Richard Wilson, President
Marie Godard, Vice President
Dedrick Wilmer, Secretary
Ronda Shepherd, Assistant Secretary

and the following absent:

Richard Ford, Director.

Also present were Mr. Jorge Diaz; Ms. Angela Cunningham; Ms. Leslie Mendez; Ms. Leslie Cook; Mr. Brian Breeding; Mr. Jerry Homan; Mr. Scott Gray; Mr. Patrick Newton; Ms. Pam McGee; 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 comments were offered.

2. The Board reviewed minutes of its meeting held September 11, 2024. Upon unanimous vote, the Board approved the minutes as presented.

3. Jorge Diaz presented the bookkeeper’s monthly report and reviewed the checks reflected thereon. He discussed activity in each District account and updated the Board on various matters. Mr. Diaz presented a comparison of actual versus budgeted general operating revenues and expenditures during the first six months of the fiscal year ending March 31, 2025. Thus far, both revenues and expenditures are higher than budgeted, but the District is currently experiencing an overall surplus. Mr. Diaz then reviewed the monthly investment report. Thereafter, upon unanimous vote, the Board approved the bookkeeper’s report as presented and authorized release of all disbursements listed thereon.

4. The Board discussed reimbursement of expenses to directors for travel on District business. The Board discussed a draft travel expense policy, and Ms. Parks stated that since last month, she had received no suggestions for different amounts to be reimbursed for overnight accommodations or meals. As noted last month, such amounts are included as recommendations and guidelines. After further discussion, the Board agreed that the District’s Code of Ethics should be amended to include pertinent portions of the draft travel policy. Ms. Parks stated the attorneys will revise the document and present it for Board review next month.

5. Angela Cunningham presented the tax assessor-collector’s regular

monthly report. Through September 30, the 2023 taxes remained at 95.4% collected. Ms. Cunningham reported that account delinquencies for 2022 amounted to approximately \$30,000 at this time last year, which is approximately \$110,000 less than the delinquent amount currently outstanding for 2023. To that end, Ms. Parks will bring a detailed delinquent tax report to the next meeting for Board review. Ms. Cunningham reported that proposed disbursements from the tax account amounted to \$4,389.77 and upon release would leave an account balance of \$41,734.33. Ms. Cunningham next reviewed a monthly report concerning taxes levied in the District's Defined Area. Proposed disbursements from the Defined Area tax account amounted to \$500 and would leave a balance of \$21,753.06 upon disbursement. After further discussion of tax matters, upon unanimous vote, the Board approved both monthly reports as presented and authorized release of the disbursements listed thereon.

6. The Board acknowledged publication of a Notice of Public Hearing to consider a 2024 tax rate of \$0.385 within the entire District, comprised of a debt service rate of \$0.20 and a maintenance and operations rate of \$0.185. The Board opened a hearing for public comments or questions on the proposed tax rate and, receiving none, closed the hearing. Thereafter, the Board considered the attached Order for adoption of the District's 2024 tax rate, and upon unanimous vote, the Order was approved and executed.

7. The Board acknowledged publication of a Notice of Public Hearing to consider a \$0.36 debt service tax rate for 2024 in the Defined Area of the District. The Board opened a public hearing for comments or questions on the proposed rate. No public comment was offered, and the hearing was closed. Upon unanimous vote, the Board adopted the attached Order levying a 2024 tax in the Defined Area of the District.

8. The Board executed an Amendment to Statement of Directors for the District and for the Defined Area to reflect the 2024 tax rates and authorized the attorney to file the statements in the Harris County real property records. The Board also authorized updating the internet posting required under the Texas Tax and Government codes to reflect the 2024 tax rates.

9. Brian Breeding presented the operator's report, indicating water accountability for the month was 103%, with 16,391,000 gallons purchased by customers. 758 bills were prepared during the month, including eight refunds.

Mr. Breeding discussed operating activity within the District during the month, including repairs of a service line leak and a manhole frame and cover in the 290 Commons area.

Jerry Homan addressed the Board and discussed attempts to communicate with representatives of Texas Central Railroad concerning lease and rental issues with numerous occupants of the 41 homes owned by Texas Central in the District. Mr. Homan presented a copy of correspondence on the subject sent to the company's last known mailing address. No response had been received. The Board discussed additional ways to contact Texas Central Railroad and/or the agencies that regulate it. Director Wilmer stated he will provide Ms. Parks with contact information for the White Oak Falls homeowners association's attorney so she could contact him on the matter. After further discussion, the Board authorized additional efforts by the operators and attorney to establish contact with Texas Central. After further discussion of operating matters, the Board voted unanimously to approve the report as presented.

10. The Board discussed matters related to the North Harris County Regional Water Authority. Mr. Homan addressed the Board in this regard and reported that the Authority had recently dropped its pumpage and surface water purchase rates by \$1 per 1,000 gallons (pumpage fee reduced to \$2.60 from \$3.60; surface water rate reduced to \$3.05 from \$4.05). The Authority Board approved these reductions against the advice of its consultants. It is generally expected that the Authority will need to sharply increase its rates when an increase inevitably becomes necessary. Mr. Homan also reported on the status of Authority construction projects, noting that the projects will likely be completed, but possibly later than originally planned. After further discussion of the rate decrease, upon motion by Director Godard, seconded by Director Shepherd, the Board voted unanimously to pass the decrease along to District customers as soon as possible.

11. Scott Gray presented the monthly detention and drainage facilities report. He reported that the District's ponds are in great shape. He also reported that more Tesla vehicles are parked at the edge of the Reserve at 290 Commons pond than there were last month. However, the vehicles are not parked on District property. The Board discussed mowing of the Weiser pond, and Mr. Gray understood that Champions Hydro-Lawn should continue to mow it on an as-needed basis.

12. Patrick Newton reviewed the monthly engineer's report. He reported that the engineers have requested a final inspection by Harris County of paving in the Weiser Business Park. He will keep the Board apprised of progress on this inspection and eventual acceptance of the roads into Harris County's maintenance program.

Mr. Newton presented the District's capital improvements plan which had been updated to reflect current information on proposed lift station rehabilitations; completed outfall replacements and the District's portion of the trunk line and sanitary sewer line rehabilitation project; and facilities to serve the 290/Huffmeister/Hempstead Road triangle tract. He confirmed that design is underway for the triangle tract facilities, and he anticipates the project will be bid some time in 2025.

Mr. Newton addressed apparent deterioration of outfall pipes at the south end of the White Oak Falls No. 1 detention pond. After discussion, the Board unanimously authorized Jerry Homan and Scott Gray to coordinate lamping or other method of inspecting the condition of these pipes. After further discussion of engineering matters, the Board unanimously approved Mr. Newton's report.

13. The Board discussed pending business, and Ms. Parks informed the Board that Steve Quance of Drake Plastics had requested legal advice from her concerning a non-District matter. Ms. Parks noted this could nevertheless present a possible conflict of interest and requested the Board consider same. After discussion, the Board unanimously expressed no objection to the attorney performing the work.

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

Secretary