

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 248

Minutes of Meeting of Board of Directors

May 14, 2025

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, May 14, 2025, 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
Richard Ford, Director

and the following absent:

None.

Also present were Mr. Jorge Diaz; Ms. Angela Cunningham; Mr. Brian Breeding; Mr. Jerry Homan; Ms. Pam McGee; Mr. Sam Meza; Mr. Patrick Newton; Mr. Scott Gray; 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 draft minutes of its meeting held April 9, 2025. Upon motion by Director Wilmer, seconded by Director Ford, the Board unanimously 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. Mr. Diaz presented a comparison of actual versus budgeted general operating revenues and expenditures for the first month of the fiscal year ending March 31, 2026. He also reviewed the monthly investment report. After further discussion, upon motion by Director Wilmer, seconded by Director Ford, the Board unanimously approved the bookkeeper’s report as presented and authorized release of all disbursements listed thereon.

4. Angela Cunningham presented the tax assessor-collector’s monthly reports. Through April 30, the District’s taxes were 95.4% collected, and the 2024 taxes in the Defined Area were 99.8% collected. Ms. Parks reported that the attorneys mailed demand letters in late April for collection of delinquent personal property accounts. The tax office will soon mail notices to real property owners about the July 1 imposition of a 20% additional penalty on delinquent accounts, and the attorneys will send letters to these property owners after July 1. Ms.

Cunningham presented proposed disbursements from the tax account and the Defined Area tax account and noted the remaining account balances upon release. After further discussion of tax matters, upon motion by Director Godard, seconded by Director Wilmer, the Board voted unanimously to approve both monthly reports as presented and authorized release of the disbursements listed thereon.

5. Brian Breeding presented the operator's report, which indicated water accountability for the month at 102%, with 12,918,000 gallons purchased by District customers. 760 bills were prepared during the month, including 11 refunds.

Mr. Breeding reported that the Texas Commission on Environmental Quality is requiring the District to produce documentation of TCEQ's approval of the District's water interconnect with West Harris County MUDs No. 14 and No. 15. The Board agreed to further discuss the matter shortly.

Mr. Breeding reported that upon its inspection of the No. 2 pump at the Weiser lift station, Hahn Equipment determined the pump needed to be replaced. Mr. Breeding reported that the pump was replaced with a better pump for approximately \$7,800, and he noted that during installation, the contractor also made some improvements to the lift station's electrical system.

Mr. Breeding presented and reviewed the draft 2024 Consumer Confidence Report (CCR). The Board unanimously approved the document for distribution to District customers by the July 1 deadline. The CCR will be posted online, and a link to the document will be added as a message on customer bills. The operators will also provide the CCR to the apartment complexes and other multi-user accounts. Mr. Homan addressed the Board and reported on the success of the recent Shrimp Boil Open House. He thanked the Board for being an event sponsor. The Sheriff's Department Appreciation Day event will be held soon, and Mr. Homan invited Board members to attend and also thanked the Board for contributing toward this event. After further discussion of operating matters, upon motion by Director Shepherd, seconded by Director Ford, the Board unanimously approved the report as presented.

6. The Board discussed matters related to the North Harris County Regional Water Authority. Jerry Homan reported on the most recent meeting of the Authority's board, noting the GRP participation fee still has not been adopted. The Authority has hired a rate specialist. Mr. Homan noted he expects the Authority will increase its rates and hopes that it will be done gradually. Finally, Mr. Homan confirmed his previous recommendation that the District's Board schedule its town hall meetings about conversion to surface water only after the Authority has provided firm dates by which FWSD 61 and the District can expect to receive surface water.

7. The Board further considered recent correspondence from the TCEQ concerning the District's emergency water interconnect with WHCMUDs No. 14 and No. 15. Patrick Newton addressed the Board in this regard, confirming that he and the District's operator and attorney had reviewed their files for the requested paperwork but do not have it. Mr. Breeding stated that the District is not being singled out by the TCEQ to provide this

information; the request has been made of numerous other districts. Mr. Newton discussed responding to TCEQ by developing the paperwork and getting after-the-fact TCEQ approval of the interconnection. Director Wilmer stated that TCEQ's requirement for such paperwork at this point seemed unusual, and suggested contacting state legislators about it, but after further discussion, it was noted that this is more a regulatory than a statutory issue. Mr. Homan stated he could further address it via the Association of Water Board Directors. After further discussion, the Board unanimously authorized the engineer to prepare the necessary documentation and seek formal TCEQ approval of this interconnect.

8. Mr. Newton presented the monthly engineer's report and reviewed it with the Board. He reported that a record drawing reinspection has been requested from Harris County for the paving in Weiser Business Park. Mr. Newton then described the developer's intention to install a left turn lane and median opening on Fallbrook. The eastern area of the developer's property at the intersection of Fallbrook and Huffmeister still remains undeveloped, likely due to limited road access. This turn lane and median opening were not part of the road as originally designed. Mr. Newton reported the developer requests District reimbursement for this work if there are surplus funds available from the Defined Area bond issue. The Board and other consultants discussed this matter, indicating some resistance to the idea of reimbursement. The Board requested that the developer directly present the request for discussion with the directors next month.

Mr. Newton presented a tabulation of bids for rehabilitation of the Huffmeister and White Oak Falls lift stations and reviewed it with the Board. Four bids were received, and the engineers recommend award to the low bidder, McDonald Electric, in the amount of \$492,969. Mr. Newton noted the low bid was in line with original estimates. After further discussion, upon motion by Director Godard, seconded by Director Wilmer, the Board voted unanimously to proceed as recommended and authorized award of the contract to McDonald Electric. Further, the Board unanimously approved the engineer's report.

9. The Board discussed provision of District service to the 290/Huffmeister/Hempstead Road triangle tract. As discussed last month, Ms. Parks now presented a draft letter to landowners in the tract summarizing the process and the actions necessary before the service can be provided. The Board reviewed and discussed the draft letter and sought input from the engineer and operator. After further discussion, a majority of the Board, with Director Ford abstaining due to a conflict of interest as an affected landowner, voted to approve the form of the letter, subject to any revisions deemed necessary, and authorized the attorney to thereafter send it to the affected landowners.

10. Scott Gray presented the monthly detention and drainage facilities maintenance report. He stated there were no problems to report, that the storm water quality features at all ponds are working as designed, and the ponds are in good condition. The Board discussed any continued presence by possible trespassers at the White Oak Springs pond. It appeared that these persons were no longer in the area, and Director Godard noted that some residents of the White Oak Springs neighborhood regularly observe conditions and watch for trespassers. After further discussion of Mr. Gray's report, the Board approved it unanimously.

11. The Board discussed various pending business items. Ms. Parks and Mr. Homan updated the Board on their latest communications with the contractor assisting Texas Central Railroad with issues at the railroad's properties within the District. The contractor had informed Ms. Parks that this work will proceed regardless of whether there is federal funding available for the railroad project itself.

The Board discussed matters relating to bookkeeping and funds transfers. Ms. Parks reported two recent incidents involving water districts losing funds via wire fraud issues and business email compromise. Mr. Diaz was able to provide more detail, and he described various protocols used at his office to prevent such an incident involving District funds. As consultants who also handle and transfer District funds, the operator and tax assessor-collector briefly described their office policies as well. Ms. Parks noted that while these consultants may also carry cyber liability insurance, the District does have such a policy in place. However, in the two incidents noted today, it was doubtful that the District's policy would have been adequate to provide coverage, given the large amounts of the losses. The Board agreed to further discuss the matter next month.

The Board briefly discussed the upcoming summer conference of the AWBD and unanimously designated Director Shepherd as the Board's voting member for the AWBD's Board of Trustees election.

Director Wilmer announced to those present that he is running for election as a United States Congressman representing Texas District 9. The election will be held in 2026. Director Wilmer stated he had informed the District's attorney about his candidacy to discuss any issues affecting the District or his current service on the Board. Ms. Parks confirmed that under the Texas Constitution and statutes, there is no provision effecting the automatic resignation of a person holding the office of water district director upon that officer's declaring their candidacy for a congressional seat. Texas does have so called "resign-to-run statutes," but they do not apply to water district directors. However, if the candidate is elected to congress, he must resign from the water board based on Texas' prohibition of dual office holding.

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

Secretary