MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

May 14, 2026

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 278 (the "District") met in regular session, open to the public, on the 14th day of May, 2026, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Eugene Newsom	President
Tommie Ruth Allen	Vice President
Gwen Thornburg	Secretary
Shantai Magee	Assistant Vice President
Vacant	Assistant Secretary

and all of the above were present, except Director Magee, thus constituting a quorum.

Also attending the meeting were Don Bennett, a member of the public; Matthew Bronstein and Cameron Gray of BHW Capital ("BHW"); Perry Miller of the Champions Erosion Control Division of Ethoscapes ("Ethoscapes"); Kevin Gilligan of BGE, Inc. ("BGE"); Andrea Martin of Si Environmental, LLC ("Si"); Danae Dehoyos of Touchstone District Services ("Touchstone"); and Christina Miller and Hope Palmer of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

There were no minutes for the Board's consideration.

PUBLIC COMMENTS

Ms. Miller offered any members of the public attending the meeting the opportunity to make public comment. There being no members of the public wishing to address the Board at this time, Ms. Miller closed the public comments portion of the meeting.

WEBSITE MATTERS

Ms. Dehoyos distributed and reviewed the communications report regarding the District's website, a copy of which is attached.

Ms. Dehoyos reported that Touchstone is scheduled to photograph the District's walking trails on May 20 and May 22, 2026.

Ms. Dehoyos discussed the articles scheduled to be posted on the District's website. The Board concurred to defer posting of the artilce regarding stormwater education. Director Thornburg discussed posting information presented at the most recent breakfast hosted by the Association of Water Board Directors ("AWBD"), and Ms. Dehoyos stated she expects to receive the materials from AWBD for District use in mid-June.

ENGINEERING REPORT

Mr. Gilligan presented and reviewed the engineer's report, a copy of which is attached.

Mr. Bronstein made a presentation to the Board regarding BHW's request to construct a sidewalk near Hunters Terrace Drive to connect the Creekstone at Tour 18 apartments to the District's walking trail. A copy of the presentation is attached. In response to an inquiry from the Board, Mr. Bronstein stated BHW does not plan to remove any trees in the construction of the sidewalk. Following discussion, Director Newsom requested BHW provide a more detailed rendering of the proposed sidewalk that confirms it can be constructed without damaging or removing any trees. Discussion ensued regarding obtaining a tree survey.

Mr. Gilligan updated the Board regarding construction of the Wastewater Treatment Plant expansion project and stated there were no items for the Board's approval.

Mr. Gilligan updated the Board regarding construction of the new ground storage tank for Water Plant No. 2. He presented and recommended approval of Pay Estimate No. 6 in the amount of $21,600.00, payable to Schier Construction Co., Inc.

Mr. Gilligan reviewed the plans and specifications and requested the Board authorize the engineer to advertise for bids for the following projects: (1) rehabilitation of the existing ground storage tank and other facilities at Water Plant No. 2; (2) wastewater treatment plant expansion, phase 2; and (3) generators for the District's lift stations.

Mr. Gilligan stated there are no deeds or easements for the Board's consideration.

Mr. Gilligan updated the Board regarding commercial development in the District, including the status of the following sites: Creekstone at Tour 18 LLC, Providence Church Atascocita on Timber Forest Drive ("Providence Church"), the Alliance (Prose Atascocita) apartment project, the Waste Management campus, the Atascocita Road Warehouses, the medical office building and retail, and Humble Indoor Sports Club.

Mr. Gilligan discussed construction at the Providence Church site. He confirmed that ABHR sent a letter to Providence Church regarding construction without approved plans and that Providence Church halted construction following receipt of the letter. Ms. Martin stated that Si has confirmed there is not a temporary water meter at the site. Director Newsom requested Si confirm if all necessary inspections were completed prior to installation of the concrete slab at the site.

Mr. Gilligan updated the Board regarding the maintenance of a portion of Williams Gully identified by Harris County Flood Control District ("HCFCD") as an "orphan channel," which was constructed by Trail of the Lakes Municipal Utility District but never accepted for maintenance by HCFCD. He stated that the District will be receiving reimbursement in the amount of $36,998.22.

Mr. Gilligan presented the District's updated Risk and Resilience Assessment ("RRA"), and he requested the Board review and provide any comments to the RRA at the next meeting.

Following review and discussion, and based on the engineer's recommendation, Director Allen moved to: (1) approve the engineer's report; (2) approve Pay Estimate No. 6 for construction of the new ground storage tank for Water Plant No. 2; and (3) approve the plans and specifications and authorize the engineer to advertise for bids for the following projects: (i) rehabilitation of the existing ground storage tank at Water Plant No. 2; (ii) wastewater treatment plant expansion, phase 2; and (iii) generators for the District's lift stations. Director Thornburg seconded the motion, which passed unanimously.

UPDATE ON HARRIS COUNTY TOLL ROAD AUTHORITY SHARED USE PATH TRAIL PROGRAM

Ms. Miller stated that ABHR has confirmed the proposed trail will run along two sides of the detention pond.

OPERATION OF DISTRICT FACILITIES

Ms. Martin reviewed a report on operating matters in the District, a copy of which is attached. She noted that the water accountability was 94.75% for April, 2026. She reviewed recently completed and pending maintenance and repairs.

Ms. Martin discussed a request from the resident at 9510 Barr Spring Drive to waive fees that resulted from disconnecting and then reconnecting the utility account while the house was in the process of being sold. She stated that she has confirmed the fees charged are in compliance with the District's Rate Order, and she did not recommend the fees be waived. Following discussion, the Board concurred not to waive any fees on the account.

The Board noted that the apartment complex in the District contains numerous residents, Fresenius Kidney Care is a medical facility, the school in Humble Independent School District is a school, and All Star Kids Center is a daycare facility, and thus utility services should not be terminated for any delinquent payments by the account holders.

The Board then conducted a hearing on the termination of utility service to delinquent accounts. Ms. Martin reported that the persons on the termination list were mailed written notice prior to this meeting, in accordance with the District's Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why utility service should not be terminated for reason of nonpayment.

Following review and discussion, Director Allen moved to: (1) approve the operator's report; and (2) authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of the apartment complex, Fresenius Kidney Care, River Pines Elementary School, or All Star Kids Center, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Thornburg seconded the motion, which passed unanimously.

REVIEW WATER AND SEWER RATES AND ADOPT AMENDED RATE ORDER

Mr. Gilligan reviewed a water use and water rate analysis, a copy of which is attached, which he used to determine if the District's Groundwater Reduction Plan ("GRP") fee should be changed to account for the current City of Houston's fees. Mr. Gilligan recommended the Board increase the GRP fee to $3.76 per 1,000 gallons.

Mr. Gilligan also recommended the Board increase various engineering design review fees.

Following discussion, Director Thornburg moved to amend the District's Rate Order as follows: (1) increase the GRP fee to $3.76 per 1,000 gallons; (2) increase the design review fee for residential sections to $7,000.00; (3) increase the design review fee for commercial sites of less than three acres to $4,000.00; (4) increase the design review fee for commercial sites between three and five acres to $5,000.00; and (5) increase the design review fee for commercial sites of more than five acres to $7,000.00. Director Allen seconded the motion, which passed unanimously.

CONSUMER CONFIDENCE REPORT

Ms. Martin reviewed the Consumer Confidence Report ("CCR"), a copy of which is attached, regarding the quality of the District's water and stated that it will be filed with the Texas Commission on Environmental Quality and distributed to District residents by July 1, 2026. After review and discussion, Director Allen moved to approve the CCR and authorize Si to include a link to the CCR on the water bill and Touchstone to post the CCR on the District's website. Director Thornburg seconded the motion, which passed unanimously.

MAINTENANCE OF DISTRICT FACILITIES

Mr. Miller presented and reviewed the report on maintenance of the District's facilities, a copy of which is attached.

Mr. Miller reported that the void at the Clayton's Corner detention pond has been repaired and Champion's has removed the silt from the pilot channel.

Mr. Miller then reviewed a notice from Ethoscapes regarding the upcoming collection of a 3% fuel surcharge and requested the matter be added to the next agenda. A copy of the notice is attached.

Following review and discussion, Director Allen moved to approve the maintenance report with no action items. Director Thornburg seconded the motion, which passed unanimously.

ACTION ITEM LIST

The Board reviewed and received updates on all items on the action item list, a copy of which is attached.

ADDITIONAL REPORTS

Director Newsom requested the operator prepare a proposal for rehabilitation and painting of the fire hydrants in the District.

There were no additional reports from directors or consultants.

The Board noted that its next meeting regarding operational matters will be held on June 11, 2026, at 12:00 p.m.

There being no further business brought before the Board, and based on a motion made by Director Allen, seconded by Director Thornburg, and voted unanimously by the Board, the meeting was adjourned.

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

Minutes Page