

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

March 12, 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 12th day of March, 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 Newsom, thus constituting a quorum.

Also attending the meeting were Perry Miller of Champions Hydro-Lawn, Inc. ("Champions"); Kevin Gilligan and Jason Svatek of BGE, Inc. ("BGE"); Jarryd Mayfield of Si Environmental, LLC ("Si"); Justin Waggoner of Touchstone District Services ("Touchstone"); and Adisa Harrington and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by teleconference was Craig Rathmann of Rathmann & Associates, L.P.

MINUTES

The Board considered approving the minutes of the regular meeting of February 12, 2026. After review and discussion, Director Thornburg moved to approve the minutes, as presented. Director Allen seconded the motion, which passed unanimously.

PUBLIC COMMENTS

Ms. Harrington 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. Harrington closed the public comments portion of the meeting.

WEBSITE MATTERS

Mr. Waggoner distributed and reviewed the communications report regarding the District's website, a copy of which is attached. He also inquired if the Board would like Touchstone to update the District's website with new photos and information for a cost in an amount not to exceed \$2,000.00. Following review and discussion, Director Magee moved to authorize Touchstone to update the District's website, as discussed, at a cost not to exceed \$2,000.00. Director Thornburg seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Rathmann presented and reviewed a tax exemption analysis, a copy of which is attached. Ms. Harrington stated the District currently grants a general residential homestead exemption of 10% (but not less than \$5,000) and grants an exemption of \$70,000 of the appraised value of residence homesteads of individuals who are disabled or over 65 years of age. She then reviewed a Resolution Concerning Exemptions from Taxation ("Resolution"). Following review and discussion, Director Allen moved to adopt a Resolution granting a general residential homestead exemption of 10% (but not less than \$5,000) and an exemption of \$70,000 of the appraised value of residence homesteads of individuals who are disabled or over 65 years of age and direct that the Resolution be filed appropriately and retained in the District's official records. Director Thornburg seconded the motion, which passed unanimously.

ENGINEERING REPORT

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

Mr. Gilligan updated the Board regarding construction of the new ground storage tank at water plant no. 2, and he reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$459,360.00, payable to Schier Construction Co., Inc.

Mr. Gilligan updated the Board regarding the following projects, none of which required any action by the Board: (1) the wastewater treatment plant expansion; (2) rehabilitation of the existing ground storage tank at water plant no. 2; (3) wastewater treatment plant expansion, phase 2; and (4) the generators for the District's lift stations.

Mr. Gilligan reported that the District's bond application was submitted to the Texas Commission on Environmental Quality (the "TCEQ") on March 10, 2026.

Mr. Gilligan updated the Board regarding commercial development in the District, including the status of the following sites: Creekstone at Tour 18 LLC, the Atascocita

Apartment project, Providence Church Atascocita on Timber Forest Drive, 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 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.

Mr. Gilligan stated BGE has begun preparation of the District's Risk and Resilience Assessment in connection with America's Water Infrastructure Act of 2018.

Following review and discussion, and based on the engineer's recommendation, Director Magee moved to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 4 for construction of the new ground storage tank at water plant no. 2. Director Thornburg seconded the motion, which passed unanimously.

EMERGENCY PREPAREDNESS PLAN

Ms. Harrington stated the Board should review the District's Emergency Preparedness Plan ("EPP") on an annual basis and file any updates, if needed, with the TCEQ. Mr. Gilligan stated the new ground storage tank should be added to the EPP once tank construction is complete. Following discussion, Director Magee moved to authorize BGE to add the new ground storage tank to the District's EPP and file the updated EPP with the TCEQ, once tank construction is complete. Director Thornburg seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Mayfield reviewed a report on operating matters in the District, a copy of which is attached. He noted that the water accountability was 94.29% for February, 2026. He reviewed recently completed and pending maintenance and repairs.

The Board discussed the delinquent account of Oak Tree Kids Academy and concurred that there are no actual children being cared for at the location. Following discussion, the Board directed Si to terminate the utility account in accordance with the District's Rate Order.

The Board then discussed resident reports regarding low water pressure. Mr. Mayfield stated there was a leak at Will Clayton and Atascocita Road, which has since been repaired, which caused the water pressure issues.

Mr. Mayfield reported on a vehicular accident in which a person damaged a District fire hydrant. Following discussion, the Board directed Mr. Mayfield to file the claim on the person's automobile insurance for the cost of the fire hydrant repair.

Mr. Mayfield updated the Board regarding the Waste Management campus. He stated Waste Management had already received two taps when the Board directed him to include the cost for the manhole repair in the tap fee. Following discussion, the Board directed Si to include the cost of the repair reimbursement in Waste Management's next utility bill.

Director Magee reported that the detention pond at the Humble Express Valero ("Valero") gas station at Noble Forest and Atascocita has not been cleaned and maintained, and its water service has not been terminated in accordance with the Board's instructions. Following discussion, the Board directed Si to place a door tag at the Valero property, including a copy of the letter the Board previously sent the property owner, in accordance with the District's Rate Order and then terminate Valero's utility service if the pond is not maintained in accordance with the District's standards within five business days following placement of the door tag.

Mr. Mayfield stated that Si filed the District's Water Smart application with the TCEQ by the deadline.

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. Mr. Mayfield 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 Magee seconded the motion, which passed unanimously.

CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM AND ADOPT IDENTITY THEFT PREVENTION PROGRAM AMENDMENT

Mr. Mayfield presented and reviewed the annual report on the District's Identity Theft Prevention Program, a copy of which is attached. He recommended no changes to the program at this time. There was no Board action needed regarding this matter.

ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Harrington stated that the TCEQ rules require the District to review its Drought Contingency Plan (the "DCP") on an annual basis. She stated the District's consultants are recommending no changes be made to the DCP. The Board concurred that no changes to the DCP are necessary at this time.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Ms. Harrington stated the annual report on implementation of the Water Conservation Plan needs to be completed by the District's Operator and submitted to the Texas Water Development Board ("TWDB") and City of Houston ("City") by May 1, 2026. Following discussion, Director Thornburg authorized Si to complete and file the annual report WCP with the TWDB and City by the deadline. Director Allen seconded the motion, which passed unanimously.

CRITICAL LOAD SPREADSHEET FOR DISTRICT'S FACILITIES

The Board reviewed the District's critical load spreadsheet, which had been previously provided to the District's operator, engineer, and bookkeeper for review. Ms. Harrington noted that the critical load information on the District's facilities is required to be reviewed at least annually and provided to certain entities, which include the District's electricity provider, the Public Utility Commission, and other governmental entities. After review and discussion, Director Thornburg moved to approve the critical load spreadsheet, authorize providing it to the appropriate entities, and direct that a copy be retained in the District's official records. Director Allen seconded the motion, which passed unanimously.

WATER LOSS AUDIT

Mr. Mayfield stated Si is preparing the annual water loss audit. Following discussion, Director Thornburg moved to approve the water loss audit, subject to completion, direct that the audit be filed appropriately and retained in the District's official records, and authorize Si to file the audit with the appropriate governmental agencies. Director Magee 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. Discussion ensued regarding a void that is forming at the Clayton's Corner detention pond. Following discussion, the Board instructed Champions to (i) coordinate with Director Newsom regarding repair of the void if the cost is under \$10,000, or (ii) bring a repair proposal to the next meeting for Board consideration if the cost exceeds that amount.

GARBAGE COLLECTION MATTERS

There was no discussion regarding this matter.

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

There were no additional reports from directors or consultants.

The Board noted that its next meeting regarding financial matters and operational matters will be held as a consolidated meeting on April 9, 2026, at 12:00 p.m.

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


Secretary, Board of Directors



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