

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

April 10, 2025

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 10th day of April, 2025, 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, thus constituting a quorum.

Also attending the meeting were Ken Farrar of Best Trash LLC; David Quin of Public Power Pool; Perry Miller of Champions Hydro-Lawn, Inc. ("Champions"); Kevin Gilligan of BGE, Inc. ("BGE"); Jarryd Mayfield and Andrea Martin of Si Environmental, LLC ("Si"); Danae Dehoyos of Touchstone District Services ("Touchstone"); and Adisa Harrington and Hope Palmer of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the regular meeting of March 13, 2025. After review and discussion, Director Magee moved to approve the minutes, as presented. Director Thornburg 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.

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 updated the Board regarding the repair and/or replacement of the bollards and cables at the entrance to the Blackstone Creek detention pond.

Mr. Miller stated the signs have been ordered for the Blackstone Creek walking trail, which will include a QR Code linked to the District's Park Rules.

Mr. Miller presented a proposal for rehabilitation of the Blackstone Creek drainage channel in the amount of \$29,085.00, a copy of which is attached. He also quoted the amount of \$1,400.00 per month to add bi-monthly mowing of the Blackstone Creek detention pond to the maintenance schedule.

Following discussion, Director Magee moved to: (1) approve the maintenance report; (2) approve the proposal for rehabilitation of the Blackstone Creek drainage channel in the amount of \$29,085.00; and (3) authorize the Blackstone Creek detention pond to be added to the District's maintenance schedule. Director Allen seconded the motion, which passed unanimously.

PROCUREMENT FOR ENERGY CONTRACT

Director Newsom arrived at the meeting.

Mr. Quin stated the District's current energy contract expires in January 2026. He reviewed information regarding current energy market conditions, a copy of which is attached, and stated P3 intends to procure new proposals for electric power supply in January 2026. He noted the District's current rate for electricity is 6.39 cents per kilowatt hour ("kwh"), and he has set a ceiling rate of 7.326 cents per kwh with a contract term of a maximum of ten years for the next procurement. Mr. Quin stated if the Board chooses to participate in the procurement for January 2026, no action is needed at this time. Following discussion, the Board concurred to participate in P3's upcoming procurement.

WEBSITE MATTERS

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

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 wastewater treatment plant expansion. He reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$630,910.71, payable to C4 Partners, LLC.

Mr. Gilligan recommended the Board accept the walking trail around the Blackstone Creek detention pond.

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

Ms. Harrington stated that she and Director Newsom are finalizing the revisions to the Utility Commitment Letter ("UCL") requested by Alliance Residential for the Prose Atascocita apartment project.

Mr. Gilligan updated the Board regarding preparation of the bond application. The Board deferred action on adopting a resolution authorizing submission of the bond application.

Discussion ensued regarding potential energy efficiency measures for the District's facilities, and the Board concurred to consider options at a later meeting in conjunction with planned capital improvement projects.

Mr. Gilligan updated the Board regarding commercial development in the District, including the status of the following sites: the gym addition for River Pines Elementary School, Creekstone at Tour 18 LLC, Timber Forest Business Park, the Atascocita Apartment project, Providence Church Atascocita on Timber Forest Drive, the Alliance (Prose Atascocita) apartment project, the Waste Management campus, and the Atascocita Road Warehouses.

Mr. Gilligan stated he is preparing the recommendation for repairs of the damaged manhole on Atascocita Road caused by Waste Management when it was tying into adjacent District facilities. He stated Waste Management will finance the cost of the repairs, and Si will subcontract for the repair work.

Mr. Gilligan discussed the status of the proposed annexation of the 21.7-acre tract to be developed as the Atascocita Business Park. There were no action items for the Board's consideration.

Mr. Gilligan updated the Board regarding the proposed rehabilitation of the Williams Gully weirs, as well as 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 the channel is under construction and reported that

he has no update to report regarding the anticipated refund to the District for the weirs project in the amount of \$23,754.33.

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. 5 for construction of the wastewater treatment plant expansion; and (3) accept the walking trail around the Blackstone Creek detention pond. Director Magee 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 93.42% for March, 2025. He reviewed recently completed and pending maintenance and repairs.

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.

Mr. Mayfield distributed a draft of the annual Consumer Confidence Report, which he noted will be included on the next agenda for the Board's approval.

Following review and discussion, Director Magee 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 Allen seconded the motion, which passed unanimously.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Mr. Mayfield stated the annual report on implementation of the Water Conservation Plan will be completed by the District's Operator and submitted to the Texas Water Development Board ("TWDB") by May 1, 2025, and to the City of Houston. Following discussion, Director Magee moved to and authorize Si to submit the report to

the appropriate government agencies and direct that the report be retained in the District's official records. Director Allen 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 stated that the annual report indicates there was one red flag violation, which was discussed with the Board at a previous meeting. He recommended no changes to the program at this time. After review and discussion, Director Magee moved to accept the annual report on the Identity Theft Prevention Program, continue the program as currently operating, and direct that the report be filed appropriately and 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 Allen 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 Thornburg seconded the motion, which passed unanimously.

REVIEW WATER AND SEWER RATES AND ADOPT AMENDED RATE ORDER, IF NEEDED

Mr. Gilligan stated he is gathering information and will make recommendations, if needed, for amendments to the District's Rate Order.

GARBAGE COLLECTION MATTERS, INCLUDING CONSUMER PRICE INDEX ("CPI") UPDATE

Mr. Farrar reviewed a letter from Best Trash notifying the Board of a CPI increase in the cost of garbage collection service from \$26.55 to \$27.90, effective with the April billing cycle. A copy of the letter is attached. The Board then considered amending the District's Rate Order to account for the increased garbage rate and concurred to defer action on this matter until Mr. Gilligan prepares the summary of other recommendations for Rate Order amendments.

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 FROM DIRECTORS AND CONSULTANTS

Mr. Mayfield requested ABHR prepare the letter to the owner of 1827 Cold River Dr. regarding Rate Order violations.

The Board noted its next Board meeting on operating matters will be held on May 8, 2025, at 12:00 p.m.

There were no additional reports from directors or consultants.

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




Secretary, Board of Directors

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