

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

February 7, 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 7th day of February, 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 Jessica Preston of Municipal Accounts & Consulting, L.P.; Brittany Keeswood of Assessments of the Southwest, Inc.; 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 LP ("ABHR").

MINUTES

The Board considered approving the minutes of the regular meetings of January 3 and January 9, 2025. After review and discussion, Director Magee 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 present to address the Board at this time, Ms. Harrington closed the public comments portion of the meeting.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Preston presented and reviewed the bookkeeper's report, a copy of which is attached, including the summary of investments, quarterly investment report, and bills for payment from the District's accounts.

Ms. Preston then reviewed the Plan Review Deposits chart in the bookkeeper's report. Mr. Gilligan recommended the Board request additional deposits in the amount of \$5,000.00 from Waste Management and \$1,500.00 from Timber Forest Business Park.

Following review and discussion, Director Magee moved to: (1) approve the bookkeeper's report, summary of investments, quarterly investment report, and payment of the bills; and (2) direct the bookkeeper to send invoices to Waste Management and Timber Forest Business Park for additional deposits as discussed. Director Thornburg seconded the motion, which passed unanimously.

CONFERENCE MATTERS

The Board discussed the Association of Water Board Directors ("AWBD") winter conference and considered authorizing attendance at the AWBD summer conference.

The Board then discussed expenses for the upcoming Texas Water Conference being held in Houston on March 18-21, 2025. The Board noted that since the conference is in Houston, Directors attending the conference will not need lodging reimbursement or an advance for expenses.

Following discussion, Director Magee moved to: (1) approve reimbursement of all eligible expenses for Directors who attended the AWBD winter conference, which the bookkeeper confirmed were submitted in accordance with the District's Travel Reimbursement Guidelines, and authorize attendance of any interested Directors at the AWBD summer conference; and (2) authorize up to four days of per diem and reasonable meals for any Director attending the Texas Water Conference, if submitted in accordance with the District's Guidelines. Director Thornburg seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Harrington stated that the District's insurance policies with Arthur J. Gallagher & Co. ("Gallagher") will expire on March 31, 2025. The Board then reviewed a renewal proposal from Gallagher with an annual premium in the amount of \$84,259.00. Following review and discussion, Director Allen moved to accept the proposal from Gallagher for renewal of the District's insurance policies. Director Magee seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Keeswood presented and reviewed the tax assessor/collector's report, including the delinquent tax report, and the delinquent collections report from Perdue, Brandon, Fielder, Collins & Mott, LLP. She stated that 84.00% of the 2024 property taxes were collected as of January 31, 2025. Following review and discussion, Director Magee

moved to approve the tax assessor/collector's report, the delinquent tax report, and the delinquent collections report. Director Thornburg seconded the motion, which passed unanimously. Copies of the tax assessor/collector's report, including the delinquent tax report, and the delinquent collections report are attached.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Harrington discussed the District's tax rate exemptions, and the Board considered adopting a Resolution Concerning Exemption from Taxation. She stated the District currently offers a \$60,000 exemption for individuals who are disabled or 65 years of age or older and a 9% general homestead exemption. Following discussion, the Board tabled action on the Resolution and requested the District's financial advisor provide a tax exemption analysis at the March 7, 2025, meeting.

CAPITAL FEE PAYMENT LETTER FOR RALPH HAWKINS OUT-OF-DISTRICT ACCOUNT

Ms. Keeswood presented the annual capital fee payment letter for the Ralph Hawkins out-of-district account, stating the annual capital fee is \$2,476.44. A copy of the letter is attached. Following review and discussion, Director Magee moved to authorize the operator to include the capital fee in the next utility billing to the Ralph Hawkins account. Director Allen seconded the motion, which passed unanimously.

WEBSITE MATTERS

Ms. Dehoyos distributed and reviewed Touchstone's monthly communications report regarding the District's website, a copy of which is attached. The Board discussed the article to be posted regarding the walking trail around the Blackstone Creek detention pond and requested Ms. Dehoyos include information about park rules and violations in the article. The Board noted the article should not be posted until the engineer confirms the final inspection of the trail has been completed and the trail signs are posted.

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 and reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$732,480.19, payable to C4 Partners, LLC.

Mr. Gilligan then updated the Board regarding construction of the walking trail around the Blackstone Creek detention pond and reviewed and recommended approval

of Pay Estimate No. 4 in the amount of \$10,600.25, payable to Division III + Constructors, Inc.

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

Mr. Gilligan updated the Board regarding preparation of the bond application.

Mr. Gilligan recommended the Board accept a 0.0080-acre Water Meter Easement that will be granted from Creekstone Developments, Inc. to the District.

Mr. Gilligan stated there were no utility commitment letters or Consents to Encroachment for the Board's approval.

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 apartments, 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 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. 3 for construction of the wastewater treatment plant expansion; and (3) approve Pay Estimate No. 4 for construction of the walking trail around the Blackstone Creek detention pond. Director Magee seconded the motion, which passed unanimously.

REPORT ON ELECTRICITY CONSUMPTION AND ENERGY EFFICIENCY MEASURES

Mr. Gilligan presented a report on the District's electricity consumption and energy efficiency measures. He stated that the report evaluates the consumption of electricity, establishes goals to reduce the consumption of electricity, and identifies cost effective energy efficiency measures to reduce the consumption of electricity. Following review and discussion, Director Magee moved to accept the report on the District's electricity consumption and energy efficiency measures and direct that the report be filed appropriately and retained in the District's official records. Director Allen seconded the motion, which passed by unanimous vote.

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 92.22% for January 2025. He reviewed recently completed and pending maintenance and repairs.

Mr. Gilligan reported that the trailer at the wastewater treatment plant has been demolished and removed and only minor clean up needs to be finished.

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 Thornburg seconded the motion, which passed unanimously.

MAINTENANCE OF DISTRICT FACILITIES

The Board did not receive a report on maintenance of the District's facilities. The Board discussed installing signs at the Blackstone Creek walking trail. Following

discussion, Director Magee moved to authorize Champions Hydro-Lawn, Inc. ("Champions") to install the signs prior to the March 13, 2025, Board of Directors meeting. Director Thornburg seconded the motion, which passed unanimously. Director Newsom stated he will coordinate with Champions regarding installation of the signs.

Director Allen requested the Board's authorization to coordinate with the Woodland Pines Homeowners Association (the "HOA") to construct a shade cover for events such as Movie in the Park. Following discussion, the Board authorized Director Allen to request the HOA obtain a proposal for the shade cover.

ACTION ITEM LIST

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

ATTORNEY'S REPORT, INCLUDING CONTINUING DISCLOSURE MATTERS

The Board reviewed the District's procedures for continuing disclosure compliance. Ms. Harrington stated that no changes are required at this time.

Ms. Harrington then reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("EMMA") system in compliance with SEC Rule 15c12-12. Following review and discussion, Director Magee moved to approve the Annual Report, subject to finalization, authorize the attorney to submit the District's updated financial and operating data to EMMA in compliance with the continuing disclosure provisions contained in the bond resolutions, and direct that the Report be filed appropriately and retained in the District's official records. Director Thornburg seconded the motion, which passed unanimously.

ADDITIONAL REPORTS FROM DIRECTORS AND CONSULTANTS

The Board noted that it will meet next on March 7, 2025.

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

(SEAL)



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Secretary, Board of Directors

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