

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

August 7, 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 7th day of August, 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, thus constituting a quorum.

Also attending the meeting were: Don Bennett, a member of the public; Perry Miller of the Champions Erosion Control Division of Ethoscapes (“Ethoscapes”); Kevin Gilligan of BGE, Inc. (“BGE”); Jarryd Mayfield of Si Environmental, LLC (“Si”); Danae Dehoyos of Touchstone District Services (“Touchstone”); Brian Krueger of Forvis Mazars LLP; Tam Trinh of Municipal Accounts & Consulting, L.P. (“MAC”); Megan Boyance of Assessments of the Southwest, Inc. (“ASW”); and Adisa Harrington and Hope Palmer of Allen Boone Humphries Robinson LP (“ABHR”).

MINUTES

The Board considered approving the minutes of the regular meeting of July 9, 2026. After review and discussion, Director Magee moved to approve the minutes, as presented. Director Allen seconded the motion, which passed unanimously.

PUBLIC COMMENTS

Director Newsom 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, Director Newsom closed the public comments portion of the meeting.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Trinh presented and reviewed the bookkeeper’s report, a copy of which is attached, including the summary of investments and bills for payment from the District’s accounts, and responded to questions from the Board. She also requested the Board approve the following checks: (1) check no. 17523 in the amount of \$2,500.00 for an advance payable to Director Newsom for expenses related to his upcoming attendance at

The Water Expo conference; and (2) check no. 17524 in the amount of \$25,600.00, payable to Si for operating services.

The Board then reviewed deposit balances for utility commitment letters, plan reviews, and annexations. Following discussion, the Board determined to take the following actions: (1) for Waste Management, invoice the developer for the balance due in the amount of \$1,634.07; (2) for Providence Church, invoice the developer for an additional plan review deposit in the amount of \$5,000.00; and (3) for Atascocita BP, invoice the developer for the balance due in the amount of \$2,948.75. The Board also discussed the negative account balance in the amount of \$315.00 for the washateria. It was noted that the washateria developer did not attend today's meeting as anticipated. The Board directed ABHR and BGE to do no further work regarding the washateria development at this time.

Following review and discussion, Director Magee moved to: (1) approve the bookkeeper's report, summary of investments, and payment of the bills, including check nos. 17523 and 17524, as discussed; and (2) authorize the bookkeeper to send the invoices and deposit requests to the commercial developers, as discussed. Director Thornburg seconded the motion, which passed unanimously.

ADOPT BUDGET FOR FISCAL YEAR END AUGUST 31, 2027

Ms. Trinh distributed and reviewed the proposed budget for the fiscal year end August 31, 2027, a copy of which is included in the bookkeeper's report. Following review and discussion, the Board requested that the bookkeeper revise the line item for "patrol expense" to be labeled as "security expense" and adjust the tap fee revenue, tap fee expense, inspection revenue, inspection expense and detention pond maintenance expense line items, as discussed. Ms. Trinh noted that the District is expecting a refund from Harris County for a meter adjustment in the amount of \$12,108.54, which is not reflected in the draft budget. Following review and discussion, Director Magee moved to adopt the budget for the fiscal year ending August 31, 2027, as revised. Director Thornburg seconded the motion, which passed unanimously.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END AUGUST 31, 2026

Mr. Krueger requested the Board authorize Forvis to prepare the District's audit for the fiscal year ending August 31, 2026, for a total estimated fee of \$32,300.00, which includes an audit specific to the sewage treatment plant and administrative fees. He also presented the proposed annual contract with Forvis. Following discussion, Director Allen moved to engage Forvis and authorize execution of the annual contract with Forvis to prepare the audit. Director Magee seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Boyance presented and reviewed the tax assessor/collector's report. She stated that 98.62% of the 2025 property taxes were collected as of July 31, 2026. Following review and discussion, Director Allen moved to approve the tax assessor/collector's report and the delinquent tax report. Director Thornburg seconded the motion, which passed unanimously. Copies of the tax assessor/collector's report and the delinquent tax report are attached.

AUTHORIZE DELINQUENT TAX ATTORNEY TO MAIL NOTICE OF PUBLIC HEARING FOR TERMINATION OF WATER AND SEWER SERVICE FOR DELINQUENT ACCOUNTS

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue") to mail notice of a public hearing for termination of water and sewer service to those residents with delinquent property taxes in accordance with Water Code §49.212. A list of delinquent accounts proposed by Perdue for termination is attached. Following review and discussion, Director Allen moved to authorize Perdue to mail notice of the public hearing scheduled for September 4, 2026, to the property owners on the list provided by Perdue. Director Thornburg seconded the motion, which passed unanimously.

WEBSITE MATTERS

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

Ms. Dehoyos discussed the website content provided by the Association of Water Board Directors entitled "MUDs- More than Meets the Eye". She stated Touchstone has a meeting scheduled with the content creators to discuss the best possible uses of the content for the District.

Ms. Dehoyos and the Board discussed articles to be posted on the District's website and following discussion, concurred to post articles regarding hurricane preparation and back to school safety. Ms. Dehoyos stated she will prepare the articles and provide them to the communications committee for review.

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 for Water Plant No. 2. He presented and recommended approval of Pay Estimate No. 9 in the amount of \$88,200.00, payable to Schier Construction Co., Inc. ("SCC").

Mr. Gilligan updated the Board regarding the following projects, none of which had any items for the Board's approval: (1) the rehabilitation of the existing ground storage tank 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 reported on a utility commitment request for 13 equivalent single-family connections ("ESFCs"), which is a revised request from the previously discussed request for three ESFCs, to serve a washateria and retail building proposed to be constructed at 9241 Will Clayton Parkway. A copy of the site plan is included in the engineer's report. The Board noted that the developer did not attend today's meeting and concurred to defer consideration of this matter.

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 Atascocita Road Warehouses, the medical office building and retail, and Humble Indoor Sports Club.

Following review and discussion, and based on the engineer's recommendation, Director Newsom moved to approve the engineer's report and Pay Estimate No. 9 from SCC for construction of the new ground storage tank for Water Plant No. 2. Director Magee seconded the motion, which passed unanimously.

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

The Board did not receive an update regarding this matter.

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 96.32% for July, 2026. He reviewed recently completed and pending maintenance and repairs.

Mr. Mayfield presented and reviewed an estimate for repairs and repainting of 286 fire hydrants to be completed by Edustrial, a copy of which is attached. He stated the estimated cost to repaint the fire hydrants using a pressure washer and surface preparations is \$14,755.00, and the estimate to repaint the fire hydrants using a wire brush system and skid steer is \$35,300.00. Following discussion, the Board concurred to move forward with the option in the estimated amount of \$35,300.00. The Board requested Touchstone alert the District's residents of the upcoming repairs by posting a notice on the District's website and sending a text alert.

Mr. Mayfield requested that 27 delinquent accounts totaling \$12,015.93 be written off and sent to collections.

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 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 Magee moved to: (1) approve the operator's report; (2) approve the estimate from Edustrial in the amount of \$35,300.00 to repair and repaint the fire hydrants and authorize Touchstone to post a notice on the District's website and send a text alert regarding the repairs; (3) authorize Si to write off and send 27 delinquent accounts totaling \$12,015.93 to collections; and (4) authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of the apartment complex, Fresenius Kidney Care, or River Pines Elementary School, 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.

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 on a collapsed storm drain screen at the Atascocita Trace detention pond. The Board authorized Mr. Miller to make the repairs prior to the next meeting, subject to receiving approval from Director Newsom if the repairs are expected to cost more than \$10,000.00.

Mr. Gilligan then discussed maintenance of an easement area west of Pine Forest Baptist Church containing a District drainage swale, which he explained is meant to steer storm water runoff around the water plant and to the drainage channel. He stated that when the easement area is not maintained, the storm water runoff flows onto the church's property. Mr. Miller presented and reviewed a proposal in the amount not to exceed \$6,264.00, to clear the easement area and haul off debris. A copy of the proposal is attached.

Following review and discussion, Director Allen moved to: (1) approve the maintenance report; (2) authorize Ethoscapes to repair the collapsed storm drain screen at the Atascocita Trace detention pond before the next meeting in an amount not to exceed \$10,000.00 or if the repair is expected to exceed \$10,000.00, to obtain final approval from Director Newsom prior to making the repair; and (3) approve the proposal for maintenance of the easement area in the amount not to exceed \$6,264.00. 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.

Ms. Palmer reported on requests from the homeowners associations ("HOAs") for reimbursement of costs for Flock Safety license plate readers. She stated she received information from multiple HOAs by the designated deadline of July 15, 2026, and that she needs additional time to review the information received. She requested the Board's authorization to prepare a summary of the HOAs' eligible reimbursement amounts and provide such amounts to the bookkeeper for payment prior to the District's fiscal year end of August 31, 2026. Discussion ensued. Following review and discussion, Director Newsom moved to designate himself to review the summary, once prepared, and to approve the reimbursements to the HOAs on behalf of the Board. Director Allen seconded the motion, which passed unanimously.

ATTORNEY'S REPORT, INCLUDING REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2021 REFUNDING BONDS

Ms. Harrington reviewed the Interim Arbitrage Rebate Report for the Unlimited Tax Refunding Bonds, Series 2021. She stated the report will be filed in the District's official records and no action is needed by the Board.

ADDITIONAL REPORTS, INCLUDING NATIONAL NIGHT OUT

The Board considered giving contributions to HOAs within the District that are holding events for National Night Out. Following discussion, Director Magee moved to direct Ms. Palmer to email the HOAs to offer a District contribution of up to \$500.00 towards the cost of their respective National Night Out events. Director Allen seconded the motion, which passed unanimously.

There were no additional reports from directors or consultants.

CONVENE IN EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.074 TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board convened in Executive Session at 1:55 p.m. Present during Executive Session were the Board of Directors, Adisa Harrington, and Hope Palmer.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION, INCLUDING CONSIDER GENERAL MANAGER FOR THE DISTRICT, AND IF APPROPRIATE, APPROVE CONTRACT WITH GENERAL MANAGER AND ACCEPT CONFLICT OF INTEREST DISCLOSURES REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

The Board reconvened in Open Session at 2:13 p.m. Mr. Benson returned to the meeting.

Director Magee moved: (1) to enter into an Employment Agreement with Director Newsom to serve as the District's General Manager, effective today, with a monthly salary in the amount of \$7,500.00 and the first month's salary to be prorated to cover the remainder of August 2026; (2) that the District will pay 100% of the General Manager's salary and the cost will not be shared by Harris County; (3) to direct Director Newsom to provide a written General Manager's report monthly; and (4) to accept Director Newsom's conflict of interest disclosure upon receipt thereof. Director Allen seconded the motion, and Director Thornburg voted in favor of the motion. Director Newsom abstained from voting, and the motion passed 3-0.

DIRECTOR MATTERS

Mr. Bennett introduced himself to the Board and stated he is interested in serving on the Board. Following discussion, Director Newsom moved to appoint Don Bennett to fill the vacancy on the Board. Director Allen seconded the motion, which passed unanimously.

Ms. Harrington stated that Director Bennett must execute a Sworn Statement, Official Bond, and Oath of Office as required by the Texas Constitution and Texas Water Code.

The Board then considered reorganizing the Board of Directors. Following discussion, the Board concurred that Director Bennett will take the position of Assistant Secretary and all other Directors' positions will remain the same. Ms. Harrington stated the District Registration Form must be filed with the Texas Commission on Environmental Quality (the "TCEQ") to show the new slate of officers.

Ms. Harrington next distributed and reviewed a memorandum regarding Texas Open Meetings Act ("TOMA") and Public Information Act ("TPIA") training requirements for Directors and encouraged Director Bennett to receive his training as soon as possible and forward his certificate of completion to ABHR for inclusion in the District's permanent records.

Ms. Harrington then reviewed a memorandum regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission. She stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers, and she presented and reviewed the List.

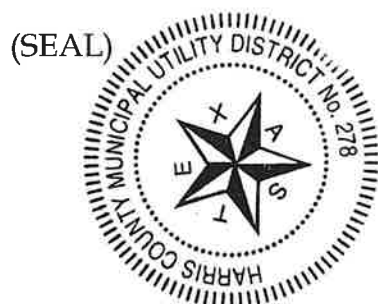
Ms. Harrington reviewed a memorandum regarding annual cybersecurity and artificial intelligence training requirements for local government employees and elected and appointed officials. A copy of the memorandum is attached. She stated that the required training should be completed and reported to ABHR prior to the August 31st deadline for reporting compliance to the Texas Department of Information Resources ("DIR"). After review and discussion, the Board concurred for each director to complete their certified training programs and report their completion to ABHR for reporting to DIR by August 31st.

Following review and discussion, Director Newsom moved to: (1) accept the Sworn Statement, Official Bond, and Oath of Office of Director Bennett and direct that the Oath of Office be filed with the Secretary of State of the State of Texas, as required by law; (2) authorize ABHR to file the District Registration Form with the TCEQ; and (3) approve and authorize execution of the List of Local Government Officers. Director Allen seconded the motion, which passed unanimously.

The Board noted that the next meeting regarding financial matters will be held on September 4, 2026, at 12:00 p.m.

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


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

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