

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

May 14, 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 14<sup>th</sup> day of May, 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 Lucas and Josh Carlton of Humble Indoor Sports Club; Paul Poteet of Poteet Construction Services LLC; Sandra Leija of Champions Hydro-Lawn, Inc. ("Champions"); Kevin Gilligan of BGE, Inc. ("BGE"); Jarryd Mayfield 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").

Ms. Nancy Espinoza, a homeowner in the District, attended a portion of the meeting by teleconference.

MINUTES

The Board considered approving the minutes of the regular meeting of April 10, 2025. 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.

Mr. Lucas Carlton and Mr. Josh Carlton introduced themselves to the Board and stated they will discuss their project during the engineer's report.

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

Ms. Dehoyos distributed and reviewed the 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 Nos. 6 and 7 in the amounts of \$499,652.26 and \$463,136.40, respectively, payable to C4 Partners, LLC.

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 sent revisions to the Utility Commitment Letter ("UCL") to Alliance Residential for the Prose Atascocita apartment project and are waiting for a response.

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.

The Board noted they will consider options for potential energy efficiency measures 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. Carlton discussed a proposed 20,000 square foot indoor gym project on Atascocita Road near June Forest Drive that will include basketball courts and restrooms. He noted the gym will not have a kitchen or showers. Mr. Gilligan estimated the project will need five equivalent single-family connections. Director Newsom requested Mr. Carlton consider options for enhancing the exterior of the building.

Mr. Gilligan stated Si is preparing the cost estimate for repairs of the damaged manhole on Atascocita Road caused by Waste Management when it was tying into adjacent District facilities.

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 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; and (2) approve Pay Estimate Nos. 6 and 7 for construction of the wastewater treatment plant expansion. 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 99.94% for April, 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.

Following review and discussion, Director Thornburg 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.

#### CONSUMER CONFIDENCE REPORT

Mr. Mayfield 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, 2025. After review and discussion, Director Thornburg 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 Magee 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 water and sewer rates should be changed to account for the current City of Houston's fees in connection with the Groundwater Reduction Plan ("GRP") and the new garbage collection rate. Following discussion, Director Thornburg moved to amend the District's Rate Order as follows: (1) increase the GRP fee to \$3.15 per 1,000 gallons; (2) increase the base water rate for single-family residential users to \$25.70; and (3) increase the base sewer rate for single-family residential users to \$35.85. Director Allen 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 FROM DIRECTORS AND CONSULTANTS

Ms. Palmer presented the annual letter agreement with Woodland Pines Owners Association for the Board's execution for the 2025 reimbursements of expenses, in the amount of \$15,000.00, for Flock Safety license plate reader expenses. Following review

and discussion, Director Newsom moved to approve the annual letter agreement. Director Magee seconded the motion, which passed unanimously.

#### OPERATION OF DISTRICT FACILITIES (CONT.)

Ms. Espinoza discussed the utilities for her property at 1827 Cold River Dr., and Director Newsom addressed the Rate Order violations that occurred at the property. Ms. Espinoza confirmed she received the letter sent by ABHR regarding the penalty for the Rate Order violations.

#### MAINTENANCE OF DISTRICT FACILITIES


Ms. Leija presented and reviewed the report on maintenance of the District's facilities, a copy of which is attached. She stated the signs for the Blackstone Creek walking trail will be installed soon. Following discussion, Director Magee moved to approve the maintenance report. Director Thornburg seconded the motion, which passed unanimously.

The Board noted its next Board meeting will be a consolidated meeting for financial and operating matters on June 6, 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 Thornburg, and voted unanimously by the Board, the meeting was adjourned.



  
Secretary, Board of Directors  
A.V.P.

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