

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

August 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 14th day of August, 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 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

There were no minutes for the Board's approval.

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

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 No. 10 in the amount of \$59,533.20, 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.

The Board noted they will consider options for potential energy efficiency measures at a later meeting in conjunction with planned capital improvement projects.

Ms. Harrington discussed Alliance Residential's ("Alliance") request for revisions to the Utility Commitment Letter ("UCL") for the Prose Atascocita apartment project. She stated that Alliance's lender requires the UCL to be assignable, which is not included in the District's standard UCL. Discussion ensued. Following discussion, the Board requested to review the design plans for the project again before moving forward with the UCL.

Mr. Gilligan then reviewed the utility commitment letter ("UCL") for a medical office and retail area at 12227 Will Clayton Parkway. It was noted that there are no tree buffer or lighting requirements in the UCL since the property does not abut any residences.

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 discussed the status of the proposed annexation of the 21.7-acre tract to be developed as the Atascocita Business Park. He stated the City of Houston (the "City") has requested to retain a small portion of the tract within the City's corporate limits, and he reviewed a map of the City's revised proposed de-annexation area, a copy of which is attached. Ms. Harrington noted that if the District proceeds with the annexation of Atascocita Business Park, the City will require that the District's Strategic

Partnership Agreement (“SPA”) be amended to include the annexation area. Discussion ensued regarding additional areas of the District that may be eligible for inclusion in the SPA amendment. Following discussion, the Board concurred that the City’s revised annexation tract and requirement for amending the SPA are acceptable and directed the bookkeeper to request an annexation deposit in the amount of \$50,000.00 from the landowner.

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 Ms. Harrington reported that the anticipated refund to the District for the weirs project in the amount of \$23,754.33 should be issued soon.

Mr. Gilligan reviewed an updated summary of costs for the bond application, a copy of which is included in the engineer’s report. The Board discussed removing some items from the bond application and instead paying for them using the District’s operating funds. Following discussion, Mr. Gilligan stated he will present a revised summary of costs based on the Board’s recommended changes at the next meeting.

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. 10 for construction of the wastewater treatment plant expansion; and (3) approve a UCL for the medical office and retail area at 12227 Will Clayton Parkway, subject to finalization. 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 95.11% for July, 2025. He reviewed recently completed and pending maintenance and repairs.

Mr. Mayfield noted that elevated ammonia levels were detected at wastewater treatment plant no. 3 and will be reported to the Texas Commission on Environmental Quality.

Mr. Mayfield reviewed a collections report and requested the Board authorize 32 accounts totaling \$7,997.77, to be written off and sent to collections. A copy of the collections report will be retained in the District’s official records.

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; (2) authorize 32 accounts totaling \$7,997.77, to be written off and sent to collections, and (3) 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.

AMENDMENT TO PROFESSIONAL SERVICES CONTRACTS WITH SI

Mr. Mayfield presented and reviewed a Fifth Amendment to Professional Service Contract (the "Fifth Amendment") with Si. He also presented and reviewed a Second Amendment to Professional Service Contract (the "Second Amendment") with Si for operation of the Woodland Pines wastewater treatment plant. He noted that both contract amendments include Si's fee changes. Mr. Mayfield then reviewed proposed changes to the District's Rate Order. Discussion ensued, and the Board concurred that they need additional clarification from the operator regarding the recommended Rate Order amendments. Following review and discussion, Director Allen moved to approve the Fifth Amendment and the Second Amendment, subject to final review by ABHR. 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.

Mr. Miller reported that Harris County has begun desilting its section of the Atascocita Trace pilot channel. He stated he will provide a proposal for desilting the District's section at the next meeting.

Following discussion, Director Allen moved to approve the maintenance report. 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.

ADDITIONAL REPORTS FROM DIRECTORS AND CONSULTANTS

Ms. Harrington reported that the Harris County Public Health Department would like to make a presentation to the Board regarding its wastewater epidemiology testing program. Discussion ensued, and Ms. Harrington noted that the Board previously considered and declined to participate in the program. Following discussion, the Board concurred for Ms. Harrington to review the proposed contract and report back to the Board.

There were no additional reports from directors or consultants.

The Board concurred to meet next on September 11, 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.




Secretary, Board of Directors

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