

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

September 11, 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 11th day of September, 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 Bear Oakley of Usource; Aaron Zuniga 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").

MINUTES

The Board considered approving the minutes of the regular meeting of August 14, 2025. After review and discussion, Director Allen moved to approve the minutes, as presented. Director Magee 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.

Mr. Oakley discussed the energy broker services offered by Usource.

There being no additional members of the public wishing to address the Board at this time, Director Newsom closed the public comments portion of the meeting.

ASSOCIATION OF WATER BOARD DIRECTORS EMERGING LEADERS PROGRAM

Ms. Harrington provided information related to the Emerging Leaders Program (the "Program") hosted by the Association of Water Board Directors, a copy of which is attached. Following discussion, Director Magee moved to support Director Newsom's application to the Program. Director Allen seconded the motion, which passed unanimously.

WEBSITE MATTERS

Ms. Dehoyos distributed and reviewed the monthly communications report regarding the District's website, a copy of which is attached. She stated the announcement for the Atascocita Trace walking trail opening has been posted to the District's website. She inquired if the Board would like to post an educational article about calculating property taxes or an announcement for National Night Out. Following discussion, the Board concurred that Touchstone should post the article regarding calculating property taxes after the 2025 tax statements have been mailed to District taxpayers and subject to review by the communications subcommittee. The Board concurred not to post an announcement for National Night Out.

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. 11 in the amount of \$183,216.27, 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; and (3) the wastewater treatment plant expansion, phase 2.

Mr. Gilligan then discussed design of the generators for the District's lift stations, specifically improvements to the fences surrounding the lift stations to accommodate the new generators. Mr. Gilligan first reviewed the fence and property boundary for the lift station in Atascocita Trace, noting that the fence is currently constructed of chain link. He recommended moving the fence line, expanding it to include a larger piece of the District-owned property, and rebuilding it to a height of eight feet. Discussion ensued regarding the material for the new fence, and the Board concurred to rebuild the fence using chain link.

Mr. Gilligan next reviewed the fence and property boundary for the lift station in the Village of Tour 18 in connection with placement of the new generator. He stated the fence is currently constructed of wood and is in poor condition. He recommended a location to rebuild the fence to contain the new generator. Discussion ensued regarding the material for the new fence, and the Board concurred to rebuild it to a height of eight feet using wood that matches the aesthetic of other community fences in the Village of Tour 18.

Mr. Gilligan reported that BGE and Si are including energy efficiency measures with new project designs where appropriate, and he requested this item be removed from the agenda.

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 is requesting that the UCL be assignable and has offered to include language that says the UCL will only be assigned to "an Alliance interest holder." Discussion ensued, and the Board concurred not to allow assignment of the UCL absent Board approval. Following discussion, Director Allen moved to approve all revisions to the UCL, except for the assignment language. Director Thornburg seconded the motion, which passed unanimously.

Ms. Palmer stated the UCL for the medical office and retail area at 12227 Will Clayton Parkway is ready for the Board's execution.

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 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 stated she will follow up on the status of the refund to the District for the weirs project in the amount of \$23,754.33.

Mr. Gilligan reviewed options for removing certain projects from the bond application and funding those projects using the District's operating funds. Copies of the summaries of costs are included in the engineer's report. Following review and discussion, Director Magee moved to approve the summary of costs for a bond

application in the estimated amount of \$10,475,000, and to use operating funds to pay for certain projects totaling \$2,183,788. Director Allen seconded the motion, which passed unanimously.

Mr. Gilligan reported that the Harris County Toll Road Authority has expressed interest in using the trail along the Atascocita Trace detention pond as part of a "Tollways to Trailways" project. The Board took no action regarding this matter.

The Board requested ABHR contact River Pines Elementary to request the Board tour the gym addition.

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. 11 for construction of the wastewater treatment plant expansion; and (3) authorize BGE to include the recommended fence improvements, with the specifications as discussed above, for the lift stations in Atascocita Trace and the Villages of Tour 18. Director Thornburg seconded the motion, which passed unanimously.

ANNEXATION MATTERS

Ms. Harrington discussed the status of the proposed annexation of the approximate 21-acre tract to be developed as the Atascocita Business Park. She stated the landowner has expressed uncertainty about whether to proceed with the annexation and has not submitted the annexation deposit in the amount of \$50,000.00. Following discussion, Director Thornburg moved to authorize BGE to prepare the feasibility study and ABHR to prepare the annexation agreement if the landowner submits the annexation deposit. Director Magee seconded the motion, which passed unanimously.

HARRIS COUNTY WASTEWATER-BASED EPIDEMIOLOGY PROGRAM

Ms. Harrington distributed information from the Harris County Public Health Department regarding its wastewater epidemiology testing program, a copy of which is attached. Discussion ensued, and the Board concurred not to participate in the program at this time.

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 93.41% for August, 2025. He reviewed recently completed and pending maintenance and repairs.

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

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.

ADOPT AMENDED RATE ORDER

Mr. Mayfield recommended various changes to the fees included in the District's Rate Order, a summary of which is attached. Following review and discussion, Director Allen moved to approve all the recommended fee changes and to adopt the Amended Rate Order. Director Thornburg seconded the motion, which passed unanimously.

MAINTENANCE OF DISTRICT FACILITIES

Mr. Zuniga presented and reviewed the report on maintenance of the District's facilities, a copy of which is attached. He requested approval of a proposal to desilt the Atascocita Trace pilot channel in the amount of \$18,969.20, a copy of which is attached. Following review and discussion, Director Allen moved to approve the maintenance report and the proposal in the amount of \$18,969.20. Director Newsom 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.

There were no additional reports from directors or consultants.

The Board concurred to meet next on October 9, 2025.

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

(SEAL)




Secretary, Board of Directors

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