

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238,
OF HARRIS COUNTY, TEXAS**

**Minutes of Meeting of Board of Directors
January 9, 2015**

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238, of Harris County, Texas ("District"), met at 2800 Post Oak Boulevard, Houston, Texas, a designated meeting place of the District, on January 9, 2015, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

Michael McGlaughlin, President
Randy Love, Vice President
Patricia Richardson, Secretary
C.L. "Steve" Crane, Assistant Secretary
Damon Sachs, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Lauren Davis of Wheeler & Associates, Inc. ("Wheeler"); Perry Miller of Champions Hydro-Lawn, Inc. ("Champions"); Frank Garcia of Gulf Utility Service, Inc. ("GUS"); and Jonathan Roach, Frank Mitchell and Jeremy Roach of The Law Firm of Jonathan A. Roach, PLLC ("JARPLLC").

The President called the meeting to order and declared it open for such business as might come before it.

PUBLIC COMMENTS

There were no members of the public present at the meeting and therefore no public comments were presented.

TAX ASSESSOR COLLECTOR REPORT

Ms. Davis presented the Tax Assessor Collector Report for the month of November 2014, a copy of which is attached as **Exhibit A**. Director McGlaughlin noted his thoughts about the District's surplus revenue options and the use of tax exemptions as discussed at length over the last approximately six months and issues regarding Wheeler's recommendation regarding the issue as well as related matters. Director McGlaughlin also noted that Ryan O'Hara has moved to Frost Bank and the Board may want to review its options regarding the District's Financial Advisor. After additional discussion, Director McGlaughlin moved to approve the Tax Assessor Collector Report. Director Love seconded the motion which carried unanimously.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Ms. Davis presented a written Delinquent Tax Report from Ted A. Cox P.C., a copy of which is attached as Exhibit B. The Board noted that no action is required at this time.

BOOKKEEPER'S REPORT

Mr. Roach presented and reviewed with the Board, on behalf of Mrs. Cynthia Colondres, the Bookkeeper's Report dated January 9, 2015 including the checks and wire transfers presented for payment, a copy of which report is attached hereto as Exhibit C. After discussion, Director McGlaughlin moved to approve the Bookkeeper's Report. Director Crane seconded the motion which passed unanimously.

STATUS OF CONTINUING DISCLOSURE REPORT

Mr. Roach noted that the audit is being completed and that once complete the District's disclosure counsel would finalize and file the required annual continuing disclosure report. No Board action was required at this time.

ENGINEERING REPORT

Mr. Roach presented, on behalf of Mr. Jeff Vogler, a written Engineer's report dated January 2014, a copy of which is attached hereto as Exhibit D. Mr. Roach noted that Mr. Vogler had received and reviewed bids and had recommended awarding a contract for the water main line extension from Water Plant No. 2 to H2O Services of Texas as the low bidder on the project. After discussion, Director Crane made a motion to award the contract to H2O Services of Texas, subject to JARPLLC's review of the payment and performance bonds and applicable insurance requirements. Director Richardson seconded the motion which passed unanimously.

MAYDE CREEK MUNICIPAL UTILITY DISTRICT ("Mayde") AGREEMENT FOR DRAINAGE IMPROVEMENTS

Mr. Roach noted that the subject agreement had been finalized and sent to Mayde so no further Board action was required at this time.

REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

Mr. Miller presented the Detention and Drainage Facilities Report dated January 9, 2015, a copy of which is attached as Exhibit E. Mr. Miller and the Board discussed vegetation/poison ivy overgrowth on a fence between District property and a residence in Lake Ridge. Mr. Garcia added that the Water Plants and Wastewater Treatment Plant need mowing. Mr. Miller advised that they are scheduled to be mowed in January 2015. Mr. Miller further noted that the wildflower seeding was done and that Champions will bring an overseeding proposal to the Board at an upcoming

meeting.

OPERATION AND MAINTENANCE REPORT

Mr. Garcia reviewed in detail the Operations and Maintenance Report for the month of November 2014, a copy of which is attached hereto as **Exhibit F**. Mr. Garcia noted there was a problem with a lateral sanitary sewer line in Lake Ridge near the lift station and that GUS is continuing to investigate the situation to see what needs to be done. He also noted that a transformer had malfunctioned and was recently replaced by CenterPoint Energy. There was no action required by the Board.

EMERGENCY MANAGEMENT PLAN

Director Love noted some final minor comments to be addressed with Mr. Garcia and asked that the Board and all consultants review the plan and bring any questions to his attention. He stated that the table top exercise may need to be delayed until March 2015. Director McGlaughlin suggested that Director Love and Mr. Garcia coordinate a “mass message” notification of the upcoming 2015 Town Hall meeting as a test of the emergency communication system and that Director Love possibly make a short presentation about the Emergency Management Plan at the Town Hall meeting. Mr. Garcia also suggested that the plan be completely finalized and sent to all appropriate plan participants/administrators at least 30 days before the beginning of hurricane season (May 1).

OPTIONS FOR ON-SITE SECURITY

Mr. Roach noted that he never heard back from Terry Starkey. Director Sachs suggested getting other vendors’ information, and the Board requested that Director Richardson try doing so at the upcoming Association of Water Board Directors Conference. The Board also briefly discussed possible security camera options instead of or possibly in addition to physical security at the District’s facilities. Mr. Jeremy Roach is to send Director Love information regarding security camera services used by another district.

OPTIONS FOR GARBAGE COLLECTION SERVICES

The Board advised that they want to review the current options and proposals in greater detail after additional information is obtained from the HOAs in the District. Director McGlaughlin noted a preference of the total costs for reviewing garbage disposal options not to exceed \$3,000. The Board agreed and instructed Mr. Roach to continue the review accordingly.

UPDATES TO DISTRICT WEBSITE AND ELECTRONIC RECORDS POLICY

There are no issues to report at this time.

ATTORNEY'S REPORT

Mr. Roach noted no updates with Severn Trent Environmental Services ("STES") regarding the final invoice, and the Board requested that the matter be discussed in executive session. He also mentioned that the firm is still reviewing and drafting policies regarding electronic records and electronic signature options. He then stated that he had nothing else of a legal nature to report that was not already addressed under previous agenda items.

ADDITIONAL COMMENTS FROM THE PUBLIC

There were no additional comments from the public.

CLOSED SESSION

All exited the meeting except the Board and Messrs. Roach, Roach and Mitchell. The Board remained in closed session from 2:53pm until 3:07pm to consult with its attorney.

PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board returned to open session with no action to be taken from the closed session. Mr. Roach noted that the upcoming Town Hall meeting is scheduled for February 17, 2015 at the West Houston Airport. The Board requested that a notice of the meeting be included in this month's water bills as well as the mass message notification discussed earlier in the meeting.

ADJOURNMENT

There being no further matters to come before the Board, Director Crane moved that the meeting be adjourned. The motion was seconded by Director Richardson and carried by unanimous vote, and the meeting was adjourned.



/s/ Patricia Richardson

Secretary,
Board of Directors

LIST OF EXHIBITS

Exhibit A	Tax Assessor Collector Report
Exhibit B	Delinquent Tax Collections Attorney Report
Exhibit C	Bookkeeper's Report
Exhibit D	Engineer's Report
Exhibit E	Champion's Report
Exhibit F	Operator's Report