

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

**Minutes of Meeting of Board of Directors
April 28, 2015**

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 238, of Harris County, Texas (“District”), met at 18702 Kieth Harrow Boulevard, Houston, Texas on April 28, 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
Damon Sachs, Assistant Secretary
C.L. “Steve” Crane, Director

all of said persons were present thus constituting a quorum.

Also present were Cathy Wheeler of Wheeler & Associates, Inc. (“Wheeler”); Cory Burton of Municipal Accounts & Consulting, L.P. (“MA&C”); Jeff Vogler of Van De Wiele & Vogler, Inc., (“VVI”); Frank Garcia of Gulf Utility Service, Inc. (“GUS”); Perry Miller of Champions Hydro-lawn, Inc. (“Champions”); Ryan O’Hara of Frost Bank (“Frost”); Jonathan Roach, Frank Mitchell and Jeremy Roach of The Law Firm of Jonathan A. Roach, PLLC (“JARPLL”); Joe Ellis President of Lake Ridge Homeowners Association (“Lake Ridge HOA”); Brian Cheadle Vice President of Barkers Ridge Homeowners Association (“Barkers Ridge HOA”); and residents Gerald Garcia, Gary Tober, Frank Sturtz, Terry Hudson and Linda Carroll.

The President called the meeting to order and declared it open for such business as might come before it. Mr. Roach outlined for all in attendance the public comment policy which had been adopted by the District.

PUBLIC COMMENTS

There were several members of the public present for comment. Mr. Cheadle read a statement from Victor Treat regarding the Barkers Ridge HOA board position on the trash collection services proposals. Mr. Garcia then wanted to clarify that he did not accuse anyone directly of lying at the last meeting. Mr. Ellis then thanked the Board for their service and help with some recent problems in his neighborhood. He also stated that he was on board with the District assuming the garbage collection contracts. Mr. Hudson stated that the Board has done a great job overall and that he would just like to see comparable service if the garbage collection contracts are combined under the District’s authority. Ms. Carroll said that her billing issues have been mostly corrected but a few issues still remain inexplicably. Director Love stated that the Board has accomplished a great deal for the residents of the District and gave numerous examples. Director Sachs then asked to verify that the information on the garbage proposal comparison spreadsheet was derived from the information

provided by the vendors. He also wanted to reassure the residents that the Board is only trying to find equivalent or better service at a cost savings to the residents. Directors Richardson and Crane noted that the Barkers Ridge HOA distributed inaccurate information to its residents and the Board will not take action on the matter, if any, until the residents are informed correctly.

APPROVE MINUTES

The Board considered for approval the minutes from the regular meeting held on March 24, 2015 and special Board meeting held on March 16, 2015. Director Richardson made a motion to approve the minutes as presented. The motion was seconded by Director Crane, and said motion passed unanimously.

TAX ASSESSOR COLLECTOR REPORT

Ms. Wheeler presented the Tax Assessor Collector Report for the month of March 2015, a copy of which is attached as **Exhibit A**. She noted for the residents in attendance at the meeting that Wheeler has been the District's tax assessor for about 30 years and the current Board has been very prudent in their use of District funds. She also noted that for the first time in the District's history a homestead exemption has been implemented, which is a benefit the taxpayers will see this year. Ms. Wheeler told the Board she has reviewed the e-check and credit card options for taxpayers to pay their taxes, and Director McGlaughlin asked her to make a presentation at the next meeting. There being no further 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. Wheeler presented the delinquent tax report from Ted A. Cox, PC. Director McGlaughlin asked that some more information be added to the report and that the format be rearranged. Ms. Wheeler said she will work with Mr. Cox on how the report can be improved.

REVIEW FINANCIAL ADVISOR SERVICES CONTRACT

Mr. Roach reminded the Board that its current contract for financial advisor services is with BOSC, Inc. ("BOSC"), and he discussed certain provisions of the contract. He also mentioned that he had visited with John Robuck regarding BOSC's desire to continue serving the District but also acknowledged the Board's past relationship with Mr. O'Hara as financial advisor. Mr. O'Hara then presented the Board with a proposal from Frost for financial advisor services and a new contract with Frost Bank. After some discussion, a motion was made by Director McGlaughlin to (1) terminate the District's current contract with BOSC, (2) authorize Mr. Roach to send a 30-day termination notice letter, and (3) approve the new contract with Frost, subject to JARPLLC's review and approval of an acceptable form of contract. The motion was seconded by Director Richardson and passed unanimously. Mr. O'Hara thanked the Board for the opportunity to work with them again.

BOOKKEEPER'S REPORT

Mr. Burton presented and reviewed with the Board the Bookkeeper's Report, including the checks and wire transfers presented for payment, a copy of which report is attached hereto as **Exhibit B**. He also noted that a payment was made on the Series 2003 Bonds and that will was the last payment on that series. He told the Board that they have about a two-year operating reserve and are in very good financial shape. Then he presented the quarterly investment report. After discussion, Director McGlaughlin moved to approve the Bookkeeper's Report and quarterly investment report. Director Crane seconded the motion which passed unanimously.

ENGINEERING REPORT

Mr. Vogler presented a written Engineer's report dated April 24, 2015, a copy of which is attached hereto as **Exhibit C**. Mr. Vogler noted that Mr. Roach is still working on getting the easement from Woodmere Development Company for the Dulaney Road. Project and once that is completed the water line construction plans will be submitted to Harris County for approval. Director Sachs mentioned more easements may be required along Dulaney Road because there are multiple landowners. Mr. Vogler next stated that the TCEQ had indicated that the interim to permanent water well setback exception would be approved soon. He also advised that the wind rating for the metal buildings at the Wastewater Treatment Plant is 110 mph. Mr. Vogler explained that Morton Road Municipal Utility District has two water plants and is having some water quality issues with at least one plant so they are interested in possibly blending water from their second plant; however, they must receive approval from the West Harris County Regional Water Authority to draw additional groundwater but if they cannot then they may be interested in running a waterline to the District and entering into an agreement for additional water. The Board said that they are open to helping if needed.

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

Mr. Vogler noted that Mayde Creek has submitted their plans to the County for approval. No further Board action is required at this time.

REVIEW ANNUAL SURVEY OF WAGE RATE SCALES

Mr. Roach explained that the District is required to conduct an annual review of its building construction project wage rate scales and that the Board had adopted the City of Houston's scales in prior years. He then reviewed updates to the current City scales. After discussion, Director Crane made a motion to adopt the 2015 City of Houston wage rate scales and a corresponding Resolution. The motion was seconded by Director Richardson and passed unanimously.

REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

Mr. Miller presented a written report, a copy of which is attached hereto as **Exhibit D**. The Board discussed a resident's request to have certain resident-owned fencing repaired, which the Board

had previously denied. The Board acknowledged the residents' request to reconsider but confirmed their decision to deny having the District pay for the repairs. Director McGlaughlin gave Mr. Miller a list of items that he would like Champions to consider for next year. Mr. Miller advised that he will begin getting quotes on the requested work. Director McGlaughlin made a motion to accept the report by Mr. Miller. Said motion was seconded by Director Love and passed unanimously.

OPERATION AND MAINTENANCE REPORT

Mr. Garcia presented the written report to the Board, a copy which is attached as **Exhibit E**. He advised there are actually 121 manhole covers that need inflow dishes to be installed instead of the original 100 he quoted. Director Crane then moved to approve installing 21 more inflow dishes. The motion was seconded by Director McGlaughlin and passed unanimously. The Board asked Mr. Garcia to provide an estimate of costs for installing new impellers and additional pumps at the wastewater treatment plant. Mr. Garcia next advised there had been one water main break but they were able to repair it quickly. Additionally, he noted a request from a resident about replacing a section of sidewalk. Director Richardson suggested collecting a list of all damaged sidewalks in the District and requesting Harris County coordinate the repairs. Directors Sachs and McGlaughlin said that they felt damaged sidewalks were not the District's responsibility. Mr. Garcia then advised that GUS will be inserting a STEAR flyer into the water bills to inform residents about assistance that is available during/after a natural disaster. Director Crane asked Mr. Garcia to collect some information about installation of smart meters for discussion next month.

Ms. Wheeler exited the meeting at this time.

UPDATES ON EMERGENCY MANAGEMENT PLAN

Director Love discussed preparing an emergency kit for each Director and Mr. Garcia including emergency radios for less than \$150 per kit as previously approved by the Board, and updated the Board on the status of the final Comprehensive Emergency Management Plan.

OPTIONS FOR GARBAGE COLLECTION SERVICES

The Board decided to table this item at this time.

UPDATES TO DISTRICT WEBSITE AND ELECTRONIC RECORDS POLICY

Mr. Jeremy Roach presented a proposal chart of website design and hosting options for review by the Board. Director McGlaughlin asked to defer this item until next month.

RESOLUTION REQUESTING ESTIMATE OF VALUE

Mr. Roach explained the reasons and requirements for requesting an estimate of valuation of property in the District and presented a Resolution regarding same. After discussion, Director Sachs made a motion to pass a Resolution requesting an estimate of value. The motion was seconded by Director McGlaughlin and passed unanimously.

ATTORNEY'S REPORT

Mr. Roach mentioned that JARPLLC is still waiting on a Memorandum of Understanding from Harris County for the proposed electronic records and signature policies. He also provided an update on some of the legislative items currently pending before the 84th Texas Legislature.

ADDITIONAL PUBLIC COMMENT

Mr. Cheadle made an additional comment that the Barkers Ridge HOA board is not opposing the District's goals regarding uniformity and comity among the neighborhoods within the District, but feels the communication needs significant improvement.

CLOSED SESSION

The Board entered executive session pursuant to Texas Government Code, Section 551.071 at 3:08 p.m.

RECONVENE IN PUBLIC SESSION

The Board returned to open session at 3:48 p.m. with no action items to be considered.

CONSIDER DESIGNATION OF OFFICER POSITIONS

Director McGlaughlin made a motion that Director Crane be named Secretary of the Board and explained the justification for same. Director Richardson defended her position as current Secretary, and the remainder of the Board acknowledged the current Director positions as appropriate. Therefore, the motion failed for lack of a second.

PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board noted that Director Crane will not be present at the next meeting on May 26, 2015.

ADJOURNMENT

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

Secretary,
Board of Directors

LIST OF EXHIBITS

- Exhibit A Tax Assessor Collector Report
- Exhibit B Bookkeeper's report
- Exhibit C Engineer's report
- Exhibit D Champion's Hydro-Lawn report
- Exhibit E Operator's Report

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