

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

**Minutes of Meeting of Board of Directors  
July 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 July 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, except Director Sachs who entered later in the meeting, thus constituting a quorum.

Also present were Cathy Wheeler of Wheeler & Associates, Inc. ("Wheeler"); Cynthia Colondres of Municipal Accounts & Consulting, L.P. ("MA&C"); Jeff Vogler and Tyler Reed 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; Jonathan Roach, Frank Mitchell, Jeremy Roach and Daniel Scruggs of The Law Firm of Jonathan A. Roach, PLLC ("JARPLLC"); and residents James Reynolds, Jim Pickering, Linda Carroll, Gary Nelson, Terry Bearce and Gary Tober.

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

**APPROVE MINUTES**

The Board considered for approval the minutes from the regular meeting held on June 15, 2015. Mr. Roach noted a revision on page 3 to be made correcting the name of Director McGlaughlin. Director Richardson made a motion to approve the minutes pending the noted correction. The motion was seconded by Director Love, and said motion passed unanimously.

**PUBLIC COMMENTS**

Mr. Reynolds referenced various constitutional and case law provisions regarding due process and advised that he feels he was unfairly removed from his position on the Board over a year ago. Mr. Tober then stated that he is happy with the garbage collection services he is receiving from Republic Services. No other members of the public addressed the Board at this time.

Director Sachs entered the meeting at this time.

## UPDATE ON TRANSITION OF FINANCIAL ADVISOR, REVIEW OF ASSESSED VALUATION, AND OPTIONS FOR EARLY DEBT DEFEASANCE INCLUDING POSSIBLE REFUNDING BOND ISSUE

, Mr. O'Hara discussed his experience representing the District as its financial advisor in the past and updated the Board on his current position. He then discussed early debt defeasance options including possibly using excess debt service or operating funds to pay off certain future series of bonds early. After discussion, Director McGlaughlin made a motion to give Frost Bank 30 day notice for termination of their current contract subject to the engagement of and provision of an acceptable contract from Mr. O'Hara. The motion was seconded by Director Richardson and passed unanimously. Director McGlaughlin then made a motion to approve the debt defeasance using \$1 million from operating funds and \$500,000 from debt service funds of certain select future series of outstanding bonds, subject to verification by Mr. O'Hara that the terms of such defeasance are favorable to the District given market conditions and other factors. The motion was seconded by Director Crane and passed unanimously.

### TAX ASSESSOR COLLECTOR REPORT

Ms. Wheeler presented the Tax Assessor Collector Report for the month of June 2015, a copy of which is attached as **Exhibit A**. Ms. Wheeler reviewed the tax collections numbers with the Board and mentioned that she is preparing a letter to the over 65 deferral residents explaining their balances and related issues. The Board then asked to add discussion of the 2015 tax rate to next month's agenda. After 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 report for Ted Cox's office and noted there is no action required by the Board at this time. Director McGlaughlin asked about the delinquent attorney fees on collections for over 65 deferrals. Ms. Wheeler said she will speak with Mr. Cox to see if they could possibly be removed.

Messrs. Reynolds and Pickering exited the meeting at this time.

### BOOKKEEPER'S REPORT

Ms. Colondres presented the bookkeeper's report and quarterly investment report, copies of which are attached hereto as **Exhibit B**. Director McGlaughlin commended GUS on saving the District around \$100,000 over the District's prior annual operating budgets. He then reviewed various suggested revisions to the draft operating budget for fiscal year ending August 31, 2016. After discussion, Director McGlaughlin moved to approve the Bookkeeper's Report and quarterly investment report. Director Love seconded the motion which passed unanimously.

## ENGINEER'S REPORT

Mr. Vogler presented a written Engineer's Report dated July 2015, a copy of which is attached hereto as Exhibit C. Mr. Vogler mentioned that the Dulaney Road easement property ownership research is still underway. He advised that the Water Plant No. 2 waterline extension construction project has been completed and a final pay estimate may be presented at the next meeting. He also noted that the Water Well No. 1 permanent exception was actually granted in March but the letter from the Texas Commission on Environmental Quality advising of same was just received. Mr. Vogler then introduced Mr. Reed from his office who would be presenting a Google Maps GIS demonstration later in the meeting.

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

Mr. Vogler noted that the Mayde Creek drainage project has been advertised and the bids are due by August 4, 2015. No Board action is required at this time.

## REQUEST FROM MORTON ROAD MUNICIPAL UTILITY DISTRICT FOR ADDITIONAL WATER SERVICE

Mr. Vogler noted no Board action is required at this time.

## REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

Mr. Miller presented a written report including several photographs depicting various facilities. He also spoke about the herbicide spraying that had been done along the fence lines and noted that the Harris County drainage channel is in acceptable condition for now but the sinkhole is getting bigger. He also noted that it appears silt is filtrating into the District's drainage facilities from the G.O. Weiss landfill north of the District and he will have one of his representatives speak with Harris County about the matter. Director McGlaughlin then noted several other areas in the detention/drainage facilities that need to be cleaned out. Mr. Miller responded that he will prepare quotes for the additional work and defer his desilting proposal for now so the Board can review all of the proposed work together.

## OPERATION AND MAINTENANCE REPORT

Mr. Garcia presented the written report to the Board, a copy which is attached as Exhibit D. He noted that several preventative maintenance items were included in the invoices this month. He stated his office responded to normal calls for service this month with no unusual problems to report.

## UPDATES FROM EMERGENCY MANAGEMENT PLAN

Director Love stated that the Comprehensive Emergency Management Plan ("CEMP") has been completed. He then handed out emergency kits to each Director. Mr. Roach mentioned that

TxWARN is hosting an online emergency planning training seminar if anyone wants to participate. He also said JARPLLC is reviewing options for additional grant opportunities and preparing related supplements to the CEMP. Director Love asked about the Association of Water Board Directors Water Smart program and mentioned that he will talk with Mr. Garcia about the District possibly participating.

### **UPDATES TO DISTRICT WEBSITE AND ELECTRONIC RECORDS POLICY**

Mr. Jeremy Roach explained to the Board that some of the transfer procedures were still underway from the previous web host. Director Crane asked about ownership of the domain and Mr. Roach explained that it does belong to the District. He then discussed some options for Director e-mails through the website. Director McGlaughlin made a motion to approve an additional four dollar (\$4) per month per Director expenditure for direct e-mail messages. The motion was seconded by Director Love and passed unanimously. Mr. Jeremy Roach then thanked the Board for engaging his company and presented the new contract from Apollo IT Consulting, LLC. Director Crane made a motion to approve the contract with Apollo IT Consulting, LLC, subject to review by District counsel. Said motion was seconded by Director Love and passed unanimously.

### **ATTORNEY'S REPORT**

Mr. Jonathan Roach stated that his firm is finalizing a legislative update memorandum for distribution at an upcoming meeting. Director McGlaughlin asked about the status of coordinating a meeting with Homeowners Association ("HOA") representatives regarding garbage collection, and Mr. Roach provided an update regarding everyone's schedules and related communications on the matter.

### **ADDITIONAL PUBLIC COMMENT**

Mrs. Bearce indicated that another District customer appears to have received a water bill with the same consecutive meter reading. Director Crane noted that the meter may have died and that the District is in the process of replacing old meters. Mr. Garcia asked her for the specific address so he could have someone check the meter. She also mentioned that a customer has complained of a strong odor coming from a manhole near her residence. Mr. Garcia stated he will have someone check on it as well.

### **ENGINEER'S REPORT (cont.)**

Mr. Reed demonstrated a new Google Earth mapping program that his firm is using to plot district facilities. Mr. Vogler recommended that the District opt to use this service over other possible GIS mapping systems due to cost savings and accessibility. The Board agreed they are interested in reviewing further, and Mr. Vogler said he will prepare a cost estimate to present to the Board for budgeting purposes.

All attendees exited the meeting at this time, except for the Board and legal counsel.

### CLOSED SESSION

The Board entered executive session pursuant to Texas Government Code, Section 551.071 at 3:03 p.m.

### RECONVENE IN PUBLIC SESSION

The Board returned to open session at 3:10 p.m. with no action to be taken from the executive session.

### PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

Director Sachs mentioned that some of the HOAs are considering termination of WCA as their garbage collection service provider, in part due to recent repeated failures to collect trash, and at least one has proceeded to approve a contract with Republic Services. Director Richardson stated that Oak Ridge Place HOA wants to solicit additional bids but is considering Republic Services as well. Director Sachs advised of additional communications with HOA representatives but noted his sense that the Board's continued discussion of the matter may not be productive. After additional discussion, the Board agreed to proceed with the meeting with HOA representatives to facilitate better communication and foster improved cooperation among the various entities regardless of the outcome of any particular issue.

### 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 Sachs and carried by unanimous vote, and the meeting was adjourned.

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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 Operator's Report

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