

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

**Minutes of Meeting of Board of Directors  
August 25, 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, Suite 4100, Houston, Texas 77056 on August 25, 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 and Putri Tesalonika 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"), who entered later in the meeting; Perry Miller of Champions Hydro-lawn, Inc. ("Champions"); Jonathan Roach and Frank Mitchell of The Law Firm of Jonathan A. Roach, PLLC ("JARPLL"); Jeremy Roach of Apollo IT Consulting, LLC ("Apollo"); and residents Gary Tober and Linda Hendrickson.

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 July 28, 2015. Director Richardson made a motion to approve the minutes. The motion was seconded by Director McGlaughlin, and said motion passed unanimously.

**PUBLIC COMMENTS**

No members of the public wished to make a comment at this time. After some discussion, the Board asked that the consultants submit all reports by close of business on the Thursday before a regularly scheduled meeting and that those reports be posted for review by close of business on Friday.

**TAX ASSESSOR COLLECTOR REPORT**

Ms. Wheeler presented the Tax Assessor Collector Report for the month of July 2015, a copy

of which is attached as Exhibit A. After discussion, Director Crane moved to approve the Tax Assessor Collector Report. Director McGlaughlin seconded the motion which carried unanimously.

Director Sachs entered the meeting during the tax assessor collector report.

#### 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 deferral. Ms. Wheeler said that the filing of the deferral request on a particular account in question may have been late. She noted that Mr. Cox has sent more demand letters on the newly delinquent accounts and asked that two accounts be moved to the uncollectible rolls. Director McGlaughlin made a motion to authorize the two recommended accounts be moved to uncollectible. The motion was seconded as by Director Crane and passed unanimously.

#### APPROVE NEW CONTRACT FOR FINANCIAL ADVISOR SERVICES

The Board decided to defer this item until next month when the financial advisor will be in attendance.

#### EARLY DEBT DEFEASANCE OPTIONS, INCLUDING REQUIRED NOTICE, ESCROW AGREEMENTS, AND RELATED MATTERS

The Board deferred this item until next month when the financial advisor will be in attendance.

#### REVIEW RECOMMENDATION FOR 2015 TAX RATE

The Board also deferred this item until next month.

#### BOOKKEEPER'S REPORT

Ms. Colondres presented the bookkeeper's report, a copy of which is attached hereto as Exhibit B. There were no unusual expenses to note this month. Director Richardson questioned an invoice from The Texas Network for website services, and Ms. Colondres noted that she will check on it. Director Crane then moved to approve the Bookkeeper's Report and payment of checks presented. Director Love seconded the motion which passed unanimously.

#### ADOPTION OF OPERATING BUDGET FOR FISCAL YEAR ENDING AUGUST 31, 2016

Director McGlaughlin presented revisions to the proposed budget for the new 2016 fiscal year. After discussion, Director McGlaughlin made a motion to adopt the budget with the revisions discussed. The motion was seconded by Director Crane and passed unanimously.

## ENGAGEMENT OF AUDITOR TO PREPARE DISTRICT'S AUDIT REPORT FOR FISCAL YEAR ENDING AUGUST 31, 2015

Mr. Ellis addressed the Board and reminded them of their previous two (2) year engagement of his firm to perform the District's annual audits. There were no questions from the Board and no action was required at this time.

## ENGINEER'S REPORT

Mr. Vogler presented a written Engineer's Report dated August 2015, a copy of which is attached hereto as Exhibit C. Mr. Vogler stated that the Dulaney Road easement property ownership research is still underway with the title company, and the Greenhouse Road project is now waiting on some information from CenterPoint Energy. He then advised that the Water Plant No. 2 waterline extension construction project is still waiting for a final pay estimate. Director McGlaughlin noted that the new budget had been amended to allow for the GIS mapping project and asked that Mr. Vogler prepare a short presentation of the project for the annual town hall meeting.

Mr. Garcia then entered the meeting and Ms. Hendrickson exited the meeting.

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

Mr. Vogler noted that the Mayde Creek drainage project bids had been received. He said that there is some concern with one of the contractors and they are doing some additional research before awarding the project.

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

Mr. Vogler stated that he had spoken with the other district's engineer and they had nothing new to request from the Board. He asked that this item be removed from future agenda.

## REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

Mr. Miller presented a written report including several photographs depicting various facilities, a copy of which is attached hereto as Exhibit D. He noted that during maintenance operations one of his crews located a deceased body in the detention pond. The matter has been referred to the Harris County Sheriff's Office for investigation. After some discussion regarding possible removal of certain trees, Director McGlaughlin made a motion to authorize Champions' removal of some pine trees and thinning of other trees near the Wastewater Treatment Plant. The motion was seconded by Director Richardson and passed unanimously.

## OPERATION AND MAINTENANCE REPORT

Mr. Garcia presented the written report to the Board, a copy which is attached as **Exhibit E**. Director McGlaughlin asked about removal of unnecessary and/or redundant facilities at Water Plant No. 1. Mr. Garcia said he will get a quote for same. Director McGlaughlin also stated that he had received a complaint about rust on the ground water storage tank. Mr. Garcia stated that some spot painting had been done in 2006 but it has been longer than ten (10) years since the tank has been completely re-painted. Mr. Vogler then stated that October 2016 would be a good time to consider recoating the interior of the tank as water usage typically decreases during the fall and winter months. Director McGlaughlin then made a motion to approve up to \$6,500 to spot treat and repaint exterior rust spots on the tank. Director Crane seconded the motion which passed unanimously. Mr. Garcia then presented letters from customers requesting refunds of various fees. After some discussion, Director Sachs made a motion to approve the refunds. The motion was seconded by Director McGlaughlin and passed unanimously. Mr. Roach then mentioned that he had been contacted by the West Harris County Regional Water Authority's ("WHCRWA") attorney advising that several Lake Ridge residents claim they are refusing to pay the WHCRWA fees. The Board noted that refusal to pay portions of a water bill may result in termination of water service pursuant to the District's Rate Order. After further discussion, Director Sachs made a motion to have include various WHCRWA brochures and information on the District website. The motion was seconded by Director Love and passed unanimously.

## OPTIONS FOR DESIGNATION OF ADDITIONAL MEETING PLACE(S) OUTSIDE THE DISTRICT

Mr. Roach mentioned that the Westlake Volunteer Fire Department has a meeting room available to the District. Director Love made a motion to adopt an Order and publish notice designating an additional meeting place for the District at the Westlake Volunteer Fire Department building. Said motion was seconded by Director McGlaughlin and passed unanimously. The Board asked to hold their October 2016 meeting at this location if available.

## ATTORNEY'S REPORT

Mr. Roach stated that his firm has finalized and posted for the Board's review a legislative update memorandum from the 84<sup>th</sup> legislative session. He also noted that he had attended a recent electronic records training session in order to continue revising the proposed policies related to same for the Board's consideration. He also gave the Board a brief update on the new open/concealed carry laws and how they may affect future Board meetings.

## IT CONSULTANT REPORT, INCLUDING UPDATES TO DISTRICT WEBSITE

Mr. Jeremy Roach presented two website designs to the Board for comments. After some suggestions the Board approved the second design template with some changes. He also gave an update on the transition of the website from the old provider and noted that during the new site design the old site will still be functional.

### ADDITIONAL PUBLIC COMMENT

There was no additional public comment.

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 3:11 p.m.

### RECONVENE IN PUBLIC SESSION

The Board returned to open session at 3:21 p.m. with no action to be taken from the executive session.

### PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

Director Crane presented a proposed change to the District mission statement. The Board decided to add an agenda item to review the mission statement for next month's meeting. The Board also discussed possibly declining further consideration of the garbage collection service issue discussed at length over the last many months, and the Board decided for the time that it would defer to the homeowners associations to provide further input.

### 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	Bookkeeper's report
Exhibit C	Engineer's report
Exhibit D	Champions Hydro-Lawn Report
Exhibit E	Operator's Report