

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

**Minutes of Meeting of Board of Directors
January 8, 2016**

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 8, 2016, 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 of Van De Wiele & Vogler, Inc., ("VVI"); Frank Garcia of Gulf Utility Service, Inc. ("GUS"); Perry Miller and Spencer Nealy of Champions Hydro-Lawn, Inc. ("Champions"); Jonathan Roach and Frank Mitchell of The Law Firm of Jonathan A. Roach, PLLC ("JARPLL"); and Jeremy Roach of Apollo IT Consulting, LLC ("Apollo").

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 November 24, 2015. Mr. Roach noted two revisions suggested by Director McGlaughlin. Director Richardson then made a motion to approve the minutes as revised. The motion was seconded by Director McGlaughlin and passed unanimously.

PUBLIC COMMENTS

There were no members of the public present at the meeting.

TAX ASSESSOR COLLECTOR REPORT

Ms. Wheeler presented the Tax Assessor Collector Report for the month of November 2016,

a copy of which is attached as **Exhibit A**. After no questions, Director McGlaughlin moved to approve the Tax Assessor Collector Report. Director Richardson seconded the motion which carried unanimously.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Ms. Wheeler reviewed the Delinquent Tax Collections Attorney Report. She noted that there were two delinquent accounts on which the water cannot be turned off because there are renters in the homes so the delinquent tax attorney will be filing suit to proceed with collection. The rest of the delinquencies are over 65 deferrals, and she noted no telephone calls or other questions had been received about the over 65 deferral notices that were sent out the last month.

BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit B**. She noted the Texas Commission on Environmental Quality invoice would be paid at the regular January meeting. She also noted that Mayde Creek Municipal Utility District would be subject to paying its share of costs associated with the drainage project once the project was completed in accordance with the agreement with the District. Ms. Colondres also noted two other checks for payment that did not appear on this report but that would be reflected on the next report. Ms. Colondres also presented the quarterly investment report. Director McGlaughlin then moved to approve the Bookkeeper's Report, quarterly investment report, and payment of checks presented. Director Crane seconded the motion which passed unanimously.

STATUS OF ANNUAL CONTINUING DISCLOSURE REPORT

Mr. Roach stated that the annual audit report is now complete so the auditor will provide the final report to the District's continuing disclosure counsel, McCall Parkhurst & Horton, who will prepare and file the final disclosure report.

STATUS OF ARBITRAGE COMPLIANCE REPORTING REQUIREMENTS

Mr. Roach explained that Arbitrage Compliance Specialists Inc. ("ASCI") is completing a 5th year arbitrage compliance report for the District's Series 2010 Bonds. Director Crane had some questions about the purpose of the arbitrage compliance reporting, and Mr. Roach explained the requirements and noted he will provide some additional information to the Board by email.

ENGINEER'S REPORT

Mr. Vogler presented a written Engineer's Report dated December 2015, a copy of which is attached hereto as **Exhibit C**. Mr. Vogler stated that the Dulaney Road easement project is still underway with title research being conducted. He stated that the Morton Road project is still under design. He noted that regarding the alleged unauthorized discharge from the G.O. Weiss landfill, he is still awaiting action from Harris County.

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

Mr. Vogler presented some additional photographs regarding updates on the construction work. The Board noted a continued concern about the silting problem in the pilot channel on the south side of Morton Road caused by, among other factors, the Harris County channel being clogged by upstream runoff and the G.O. Weiss landfill issues noted above.

REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

Mr. Miller announced that he will no longer be the Champions’ representative for the District and Mr. Neely will be taking over. Mr. Neely presented a written report including several photographs depicting various detention/drainage facilities within the District, a copy of which is attached hereto as **Exhibit D**. There were no unusual items to report and no action items required at this time. Mr. Miller asked if Champions could be excused from the regular January meeting and come back in February. The Board concurred and noted there was no action needed at this time.

Director Sachs entered the meeting at this time.

OPERATIONS AND MAINTENANCE REPORT

Mr. Garcia presented the written operations report to the Board, a copy which is attached as **Exhibit E**. Mr. Garcia noted the televising of the District sanitary sewer line at 19426 Juniper Vale was completed but they are still investigating along the line from the manhole to the 4-inch sewer line. There were no cutoffs but several late notices reported. Mr. Garcia advised that GUS is making some changes to the automated phone system to try and help with customer service, and he presented a handout to the Board that explained the operation of the online resident portal. He asked for their input at the next meeting before approval for the flyer to be mailed out. Director Richardson had a question about the billings from Magna Flow, and Mr. Garcia explained the billing process and the reasoning for the bill. Director Richardson asked Ms. Colondres to better delineate on the memo line of the checks what exactly is being paid. After no further questions, Director Crane made a motion to approve the operator’s report. The motion was seconded by Director Love and passed unanimously.

IT CONSULTANT REPORT

Mr. Jeremy Roach presented the IT report. He showed the Board the new version of the District’s website and the mobile version of the site. The Board expressed that they were pleased with the new website and the efforts of Mr. Jeremy Roach. There were no further questions or actions required.

ATTORNEY’S REPORT

Mr. Roach stated that the electronic records policy should be ready soon as he is finalizing

same after taking into account some of the recent legislative changes. He noted Frank Mitchell has now become a member-partner with his firm, and the firm has now re-incorporated as Roach & Mitchell, PLLC. He asked that the Board acknowledge an assignment of the professional legal services agreement to the new firm. He then presented an update on the open carry laws and their effect on the District. There was some discussion about the signage required at the meetings. Mr. Roach also gave an update on the Severn Trent matter and noted that they seem agreeable to the settlement, subject to execution of an acknowledgement letter. He noted that the annual calendar is currently being updated for 2016 and Directors Election related items. He noted that the Board might consider for its running action item list, per Director McGlaughlin's request, an application available for cell phones and the internet called Wunderlist. The Board asked to have a brief demonstration at the next meeting. Director McGlaughlin then made a motion to accept the attorney's report. Said motion was seconded by Director Love and passed unanimously.

REVIEW 2016 DIRETORS ELECTION TIMELINE

Mr. Roach gave an update on the upcoming dates for the 2016 Directors Election, noting that Directors Love and Sachs are up for re-election.

CLOSED SESSION

The Board did not enter executive session.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS, INCLUDING REVIEW OF ANNUAL MASTER CALENDAR, UPCOMING MEETING SCHEDULE AND OPTIONS FOR ANNUAL TOWN HALL MEETING

The Board noted that the next regular meeting will be on January 26, 2016 at the GUS offices. There was also some discussion about sending out an annual newsletter in lieu of the annual town hall meeting, and Director Love noted that he and Director Crane are currently working on a draft.

ADJOURNMENT

There being no further matters to come before the Board, Director McGlaughlin moved that the meeting be adjourned. The motion was seconded by Director Love 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	Champions Hydro-Lawn Report
Exhibit E	Operator's Report

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