

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

**Minutes of Meeting of Board of Directors  
March 24, 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 March 24, 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, Director

all of said persons were present, except Director Sachs who arrived later, thus constituting a quorum.

Also present were Ray Arce and 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 of Champions Hydro-Lawn, Inc. ("Champions"); Jonathan Roach, Frank Mitchell and Jeremy Roach of The Law Firm of Jonathan A. Roach, PLLC ("JARPLLC"); and residents Terry Bearce, Gerald Garcia, Gary Tober, Danell Landes and Victor Treat (later).

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

**APPROVE MINUTES**

The Board considered the minutes from the Annual Town Hall meeting held on February 17, 2015 and the regular Board meeting held on February 24, 2015. Director Richardson made a motion to approve the minutes. The motion was seconded by Director Crane, and passed unanimously.

**PUBLIC COMMENTS**

There were several members of the public present for comment. Mr. Garcia mentioned that he has talked with a neighbor who has a water leak and claims to have been contacting GUS for six months without response. He also mentioned that his past payment history still has not appeared for his account. Mr. Garcia advised that it is his understanding that water districts seem to be able to profit from garbage collection services. Director McGlaughlin explained that the District would not receive any profit from garbage collection services if the District assumed such services but

rather would simply pass through the direct costs from the service provider. Mr. Garcia stated that he would have no problem with a profit as long as the money was used for another District related purpose and benefit to the residents. Additional public comment was deferred until Director Sachs arrived.

### **TAX ASSESSOR COLLECTOR REPORT**

Ms. Wheeler presented the Tax Assessor Collector Report for the month of February 2015, a copy of which is attached as **Exhibit A**. She noted several correction refunds where the appraisal district changed the values and it caused an overpayment, and she answered related questions from the Board. After further discussion, Director Love moved to approve the Tax Assessor Collector Report and payments of invoices. Director Richardson seconded the motion which carried unanimously.

### **DELINQUENT TAX COLLECTIONS ATTORNEY REPORT**

Ms. Wheeler presented the delinquent report from Ted Cox and advised that she has asked Mr. Cox to further pursue certain outstanding accounts. The Board noted no action was required at this time.

Director Sachs entered the meeting at this time.

### **ADDITIONAL PUBLIC COMMENT**

Mrs. Landes noted the District's adopted mission statement and how it conflicts with the garbage collection services proposal under consideration by the Board. She also noted her belief there has not been enough due diligence regarding the impact of any changes on current services and rates. Mr. Garcia then asked when the Board will move forward with a decision. Various Directors explained the status of the Board's review, the goal of providing value-added service at a cost savings to residents, and the efforts made to contact the various homeowners associations. Director McGlaughlin noted that the annual Barkers Ridge Homeowners Association ("BRHOA") meeting was held the night before and that the members present voted against the garbage collection proposal. Mrs. Bearce then advised she was attending the meeting as a representative of BRHOA and stressed they are not in favor of the garbage proposal. After a debate ensued, the Board moved on from the public comment period pursuant to the District's adopted policies.

### **BOOKKEEPER'S REPORT**

Ms. Colondres reviewed the Bookkeeper's Report, including the checks and wire transfers presented for payment and voiding check #7821, a copy of which report is attached hereto as **Exhibit B**. After discussion, Director Love moved to approve the Bookkeeper's Report. Director Richardson seconded the motion which passed unanimously.

### **AUTHORIZE CONSULTANTS TO RESEARCH UNCLAIMED PROPOERTY**

Mr. Roach explained the process regarding the yearly review and reporting of any unclaimed property. Director Crane made a motion to authorize the consultants to search for any unclaimed property. The motion was seconded by Director Richardson and passed unanimously.

### **ENGINEERING REPORT**

Mr. Vogler presented a written Engineer's report dated March 24, 2015, a copy of which is attached hereto as **Exhibit C**. Mr. Vogler noted that the Dulaney Road water line easement is underway. He also advised that the TCEQ's temporary exception regarding Water Well No. 1 was expiring so he would be requesting a permanent exception.

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

The Board noted no action is required at this time.

### **REVIEW ANNUAL SURVEY OF WAGE RATE SCALES**

Mr. Roach stated that the City of Houston has not distributed a new wage rate scale, which the District previously adopted as its scale so no board action is required at this time.

### **REPORT FROM CHAMPIONS HYDRO-LAWN, INC.**

Mr. Miller presented a written report, a copy of which is attached hereto as **Exhibit D**. Mr. Miller noted that the slopes in the various detention ponds look good, Harris County has finished the de-silting work in the HCFCD areas, and the wildflowers are starting to grow in nicely so they are going to delay the regular monthly mowing for a time to let the wildflowers grow through the season.

Mr. Miller the exited the meeting, and Mrs. Bearce temporarily stepped out of the meeting to take a phone call.

### **OPERATION AND MAINTENANCE REPORT**

Mr. Garcia reviewed in detail the Operations and Maintenance Report for the month of February 2015, a copy of which is attached hereto as **Exhibit E**. Mr. Garcia reported that he had responded to a few minor odor complaints which had been resolved. He mentioned that the resident with the fence/vegetation overgrowth issue wants about seventy feet (70') of his fence replaced at an estimated cost of around \$3,200. Director Sachs then made a motion to decline the repairs to the fence. The motion was seconded by Director Richardson and after some discussion, passed unanimously. Mr. Garcia advised there is a water main underneath a sidewalk along on Hickory Meadow causing damage and necessary repairs to the sidewalk at a cost of about \$1,050. Director McGlaughlin made a motion to authorize GUS to make the repairs. The motion was seconded by Director Richardson. After a vote the motion passed four to one (4-1) with Director

Sachs opposed. Mr. Garcia then suggested the Board consider replacing the fence along the south and east sides of Water Plant No. 2 where brush and trees are growing at a cost of about \$3,800. After discussion, Director McGlaughlin moved to authorize the \$3,800 expense to remove and replace the chain link fence. The motion was seconded by Director Crane. After further discussion, the motion carried with a three-one-one (3-1-1) vote with Director Sachs opposed and Director Love abstaining.

Director Sachs then exited the meeting.

Mr. Garcia then advised that the Board should consider installation of inflow dishes underneath manhole covers to prevent stormwater inflow at a cost of about \$150 per manhole times about 100 manholes. Director Richardson asked if they could wait until GUS had completed a full survey of the manholes before voting on the issue. Director Love then made a motion to authorize GUS to install 100 inflow dishes at cost not to exceed \$15,000. Director McGlaughlin seconded the motion and the motion passed unanimously. Mr. Garcia then presented a rough draft of the email he plans to send residents regarding the mass communication system for board approval.

Mr. Treat then entered the meeting and Mrs. Bearce re-entered the meeting.

#### **EMERGENCY MANAGEMENT PLAN**

Director Love reminded the Board of various follow-up items from the emergency management plan table top meeting held the previous week.

#### **OPTIONS FOR ON SITE SECURITY**

Director Love mentioned that there is nothing further on this item and he would like it to be removed from further agendas for now.

#### **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 has narrowed down the proposals for website administration to four. They have been posted for the Board to review. Director McGlaughlin asked him put the information into a spreadsheet for easier comparison. Director Crane reiterated that design aspects are not complex and the Board is just unhappy about the level of service they have been receiving. There is no action required at this time.

#### **ATTORNEY'S REPORT**

Mr. Roach mentioned that the Severn Trent settlement will be discussed with the Board in executive session. He mentioned that JAR PLLC is still waiting on an MOU with Harris County in

order to move forward with the electronic records and signature policies.

**ADDITIONAL COMMENTS FROM THE PUBLIC**

Mr. Treat reiterated that he, as BR HOA president, and the BR HOA is very much against the garbage proposal under consideration by the Board. Mr. Tober indicated he is not sure about the rates offered but feels that the HOAs are under the assumption that there will be lesser level of service. He noted that the Board may be in better position to represent the larger interests of the community.

Everyone 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, 551.074, et. seq. at 3:00 pm.

**RECONVENE IN PUBLIC SESSION**

The Board returned to open session with no action items to be considered.

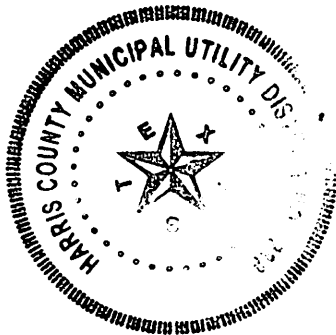
Director Crane then left the meeting at this time.

**PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS**

The Board noted no special items for further consideration at the next meeting.

**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.



*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 Champion's Hydro-Lawn report
- Exhibit E Operator's Report