

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Meeting of Board of Directors April 26, 2016

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District"), met at 18702 Kieth Harrow Boulevard, Houston, Texas, 77084 a designated meeting place of the District, on April 26, 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  
C.L. "Steve" Crane, Assistant Secretary  
Damon Sachs, Assistant Secretary

all of said persons were present, thus constituting a quorum.

Also present were Cathy Wheeler of Wheeler & Associates, Inc. ("Wheeler"); Cynthia Colondres of Municipal Accounts & Consulting, L.P. ("MA&C"); Taylor Reed of Van De Wiele & Vogler, Inc., ("VVI"); Frank Garcia of Gulf Utility Service, Inc. ("GUS"); Spencer Nealy of Champions Hydro-Lawn, Inc. ("Champions"); Jonathan Roach and Frank Mitchell of Roach & Mitchell, PLLC ("RMPLLC"); Jeremy Roach of Apollo IT Consulting, LLC ("Apollo") and resident Gary Nelson.

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 prior board meetings held on February 23, 2016 and March 22, 2016. Director McGlaughlin noted some changes he would like reflected in the February minutes. Director Crane made a motion to approve the minutes of the March meeting as presented and the February minutes as corrected. The motion was seconded by Director Love and passed 4-0-1 with Director McGlaughlin abstaining.

#### PUBLIC COMMENTS

There were no comments from the public.

#### TAX ASSESSOR COLLECTOR REPORT

Ms. Wheeler presented the Tax Assessor Collector Report for the month of March 2016, a copy of which is attached as **Exhibit A**. She also presented the unclaimed property report. After no questions, Director McGlaughlin moved to approve the Tax Assessor Collector Report. Director

Sachs seconded the motion which carried unanimously.

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

Ms. Wheeler reviewed the Delinquent Tax Collections Attorney Report. She noted two residents who have defaulted on tax payment agreements where now collections letters have been sent and door hangers put out. She recommended that the Board let the accounts go another month to see if they make the payments. The Board concurred. Mr. Nelson asked about how many non-homestead properties were on the tax rolls. Ms. Wheeler noted that about 2,002 have homestead exemptions and about 300 do not. After no further questions, Director Love made a motion to accept the delinquent tax collection report. Said motion was seconded by Director Crane and passed unanimously.

Ms. Wheeler then exited the meeting.

### **RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES**

Mr. Roach advised that, pursuant to the Texas Property Tax Code, under certain conditions the District could impose an additional penalty on delinquent personal property taxes as of July 1<sup>st</sup> of each year and that the penalty is essentially to cover the costs of collections by the District's delinquent tax collections attorneys. After discussion, Director Crane made a motion to adopt a resolution authorizing an additional penalty on delinquent real property taxes. The motion was seconded by Director McGlaughlin and passed unanimously.

### **BOOKKEEPER'S REPORT**

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit B**. Ms. Colondres presented the quarterly investment report and recommended enrolling in a new money market account with a higher interest rate with Texas Class. She noted no unusual expenses or issues for the month. After no questions regarding the report, Director McGlaughlin then moved to authorize transferring funds to Texas Class, and approve the Bookkeeper's Report and payment of checks presented. Director Love seconded the motion which passed unanimously.

### **AUTHORIZE NOTICE TO CERTAIN UNCLAIMED PROPERTY OWNERS**

Mr. Roach explained a new statutory requirement to provide notice to any property owners of unclaimed property in possession of the District, if any, over \$250 and also discussed the requirements for submitting an annual unclaimed property report and escheating funds to the state. There was no unclaimed property noted by the consultants and the Board approved submitting the necessary report to the state accordingly.

### **ENGINEER'S REPORT**

Mr. Reed presented the Engineer's Report dated April 2016, a copy of which is attached

hereto as **Exhibit C**. Mr. Reed gave an update on the District's condition after the recent record rainfalls. He presented a report of the rain levels and water levels in surrounding creeks. He noted that Mayde Creek Municipal Utility District ("Mayde Creek MUD") reported no issues and therefore their new/ongoing drainage improvements had worked as expected. Director Crane pointed out some areas of concern on the map and after discussion it was noted that the outcomes showed how effectively the District has been in maintaining its drainage system. Mr. Reed recommended waiting until next year's budget for the recoating work on water plant no. 1. He noted that the landfill has begun silt removal from the channel per Harris County's direction. Director Love mentioned an area where a drain had been removed by Harris County Flood Control District and now there is a sinkhole that has doubled in size. He asked the engineer to work with Harris County to see if there is anything that can be done to help. Finally, Mr. Reed noted that the Google Earth mapping project data is still being coordinated with GUS. Director Love then made a motion to approve the engineer's report. Director Crane seconded the motion which passed unanimously.

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

Mr. Reed noted that a Comcast contractor had damaged the berm during some installation work but that they are going to make repairs. He also stated that construction is complete on the project but there are still a few punch list items to complete.

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

Mr. Nealy 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**. He noted that there were no additional sinkholes to report or other maintenance related issues. There was some further discussion about the landfill silting and the concrete Harris County channel being in need of a cleanout. Director McGlaughlin asked him to work with the engineer to prepare a letter and pictures to send to Commissioner Radack's office including an estimate of what needs to be done.

### **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 a leak on Autumn Bridge Lane that was determined to be on the customer's side of the meter. He stated that GUS had to make some adjustments to the circuit breaker on a blower to stop it from repeatedly tripping. Mr. Garcia noted an issue with the portable pump hose not being able to hook up to lift station nos. 2 and 3 and advised that it will cost about \$2,000 - \$2,500 each to install the necessary adapters. He also requested approval to install water taps at all the lift stations at a cost of about \$500 each. Director McGlaughlin made a motion to approve installation of the pump adapters and water taps at the lift stations as discussed. The motion was seconded by Director Love and passed unanimously. Mr. Garcia then asked about a customer request to refund a \$40 late fee. After discussion, the Board concurred to refund the late fee. Mr. Garcia then advised that GUS will be engaging a new vendor for the phosphates used for extra treatment at the wastewater treatment plant. He also noted that an auto-valve needs to be replaced at the

wastewater treatment plant for \$3,500. Director McGlaughlin made a motion to approve replacement of the auto-valve as requested. Said motion was seconded by Director Crane and passed unanimously. Mr. Garcia presented a report on the flushing valves (fire hydrants) indicating all have been fully serviced at this time. He noted there are a couple that were difficult to open so they were black-bagged and there are several needing new gaskets and should or about \$3,000 - \$4,000 to replace. He advised that the estimated total for needed repairs is about \$22,000. After discussion, Director Love made a motion to accept the operator's report and authorize the \$22,000 in needed flushing valve repairs. The motion was seconded by Director Richardson and passed unanimously.

### **RECEIVE REPORT FROM OPERATOR REGARDING IDENTITY THEFT PREVENTION PROGRAM**

Mr. Garcia said GUS followed the District's policy and found no issues with identity theft during the past years. As such, he did not recommend any changes to the policy or procedures.

### **REVIEW CODE OF ETHICS AND RELATED POLICIES**

Mr. Roach asked that the Board defer on this item until some additional research can be completed on HB1295.

### **ATTORNEY'S REPORT**

Mr. Roach noted that Roach & Mitchell, PLLC is still going through an extensive IT transition and appreciates the Board's patience during the process. He also noted that the Dulaney Road easements have all been completed and are ready for signature.

### **IT CONSULTANT REPORT**

Mr. Jeremy Roach presented the IT report. He noted that the Directors Election information had been posted to the District's website. Director Crane stated that he had tried to communicate several issues to him regarding IT and website matters and had not received an appropriate response. Director Crane then asked the Board to consider revisiting the IT services contract and to solicit additional bids for same. The Board concurred.

### **REVIEW 2016 DIRETORS ELECTION**

Mr. Roach gave an update and advised that he had previously conducted the election training with the election officials and early voting started yesterday. He also mentioned that she had requested the appointment of additional deputy clerks. Ms. Colondres noted that she needs to get W9's on the election officials. Director Love made a motion to approve the appointment of two additional deputy clerks, if necessary. Director Crane seconded the motion which passed unanimously. Director Love then asked a question about signage rules and Mr. Roach noted the requirements under the law.

**REVIEW REQUEST FROM BARKER'S CROSSING HOMEOWNERS ASSOCIATION FOR TRAIL IMPROVEMENTS**

The Board indicated it had not heard back from the HOA regarding specifics about the trail improvement request, and Director McGlaughlin said he would try to find out details about what specifically they are requesting. The Board asked that this item be removed from future agendas for now.

**ADDITIONAL COMMENTS FROM THE PUBLIC**

Mr. Nelson asked about getting assistance from the operator for some residents whose meters are buried, and Mr. Garcia responded.

**EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.071, 551.074, ET. SEQ.**

The Board did not enter executive session.

**DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS**

The Board did not have any discussion about future agenda items or pending business, other than what had been previously discussed and usual ongoing matters.

**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 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	Champions Hydro-Lawn Report
Exhibit E	Operator's Report

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