

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors May 24, 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 May 24, 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
Gary Nelson, Director

all of said persons were present, except Director Crane, with Director Richardson arriving 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 Taylor Reed of Van De Wiele & Vogler, Inc., (“VVI”); Ryan O’Hara of Hutchinson, Shockey, Erley & Co., (“HSE”); 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”); and resident 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 prior regular and special Board meetings held on April 26 and May 16, 2016. Director McGlaughlin made a motion to approve the minutes as presented. The motion was seconded by Director Nelson and passed unanimously.

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 April 2016, a copy of which is attached as **Exhibit A**. After review by the Board and no questions, 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 noted that there was no report this month from the delinquent tax collections attorney's office.

BOOKKEEPER'S REPORT

Mrs. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit B**. She noted no unusual expenses or issues for the month. Director Love inquired about the District's election official compensation and the total costs for the District holding the Directors Election, to which Mrs. Colondres and Mr. Roach responded. Then Director Nelson made a motion to approve the Bookkeeper's Report and payment of checks presented. Director McGlaughlin seconded the motion which passed unanimously.

CONSIDER POSSIBLE SERIES 2016 REFUNDING BONDS, AND REVIEW OPTIONS AND SCHEDULE FOR SAME

Mr. O'Hara addressed the Board and presented options for a refunding bond opportunity to restructure and refinance portions of the District's current outstanding bond obligations. Director Nelson asked some additional questions about costs related to same, and Mr. O'Hara responded. After discussion, Director McGlaughlin made a motion to authorize HSE to start preparing the offering documents and RMPLLC to begin working on related matters for the proposed refunding bond issue. Said motion was seconded by Director Nelson and passed unanimously.

Director Richardson entered the meeting during the refunding bond discussion and was present for the vote.

ENGINEER'S REPORT

Mr. Vogler presented the Engineer's Report dated May 2016, a copy of which is attached hereto as **Exhibit C**. Director McGlaughlin inquired about the time requirements to recoat the ground storage tanks at Water Plant No. 1. Mr. Vogler said that it would take about sixty (60) days to complete. Mr. Vogler and Mr. Spencer gave an update on the sinkhole repairs previously discussed by the Board. Director Love noted that he has been in touch with homeowners about the flooding that occurred after the major rains recently, and Mr. Vogler advised that he researching some of the older easement and related records to consider possible solutions. He also mentioned that he has been in contact with representatives of Harris County, and Director Love mentioned that he will follow up with Harris County Flood Control District on the matter. Finally, Mr. Reed updated the Board on the Google Earth mapping project, noting that data is still being coordinated with GUS. Director Love then made a motion to approve the Engineer's Report. Director McGlaughlin seconded the motion which passed unanimously.

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

Mr. Vogler noted that the project is substantially complete and suggested that Mayde Creek MUD could be invoiced per the applicable agreement as there are only a few minor items to be completed. Mr. Roach said that he will coordinate with the District’s bookkeeper regarding the invoice(s).

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 Harris County has fixed the sinkholes on their channel and there were no additional sinkholes to report. He noted that the Bermuda grass is starting to grow nicely from the overseeding. Director McGlaughlin asked about the washout area near the airport and asked that Champions monitor the area closely and also prepare a plan and cost estimate for repairs if it starts to encroach on the District’s side of the property. There was no action to be taken by the Board.

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 that the pump connection installations at the lift stations are about halfway complete and should be completed by next month’s meeting. He said the Payclix system is having issues accepting voluntary contribution fees for the Westlake Volunteer Fire Department. Mr. Garcia advised that GUS has the Consumer Confidence Report information together but they are waiting for the final TCEQ template. Director Love asked about including information about fees and costs on the back of the water bills for customers’ information. The Board concurred to have the operator include information every six (6) months starting in July 2016. Mr. Garcia presented a written Asset Management Report and reviewed it with the Board. He also noted that the lift pumps from the Wastewater Treatment Plant were pulled at the main lift station and they found a lot of debris including a piece of blue sewer pipe. He advised that he will get with Mr. Vogler and review the drainage areas to that lift station and make a recommendation regarding same next month.

REVIEW STATUS OF EMERGENCY WATER INTERCONNECT AGREEMENTS

Mr. Roach noted that the various emergency water interconnect agreements are being pulled from the old hard copy archive files and will be reviewed with the Board at a future meeting.

REVIEW OPTIONS FOR IT CONSULTING AND WEBSITE HOSTING SERVICES

Mr. Roach noted that Director Crane is still gathering information for optional service providers and asked that this item be deferred until next month when Director Crane will be at the meeting to discuss.

REVIEW CODE OF ETHICS AND RELATED POLICIES

Mr. Roach asked that the Board defer on this item.

ATTORNEY'S REPORT

Mr. Roach stated that the firm is still transitioning its internal IT system including work on implementing the electronic signatures and action item lists. There were no other legal related items to discuss at this time.

ADDITIONAL COMMENTS FROM THE PUBLIC

There were no additional comments from the public.

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.

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.

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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