

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Meeting of Board of Directors October 25, 2016

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District"), met at 19636 Saums Rd., Houston, Texas, 77084 (Westlake Volunteer Fire Department), a designated meeting place of the District, on October 25, 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 McGlaughlin, 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"); Frank Garcia and Tracy Williams (who entered later in the meeting) of Gulf Utility Service, Inc. ("GUS"); Josh Fort of Champions Hydro-Lawn, Inc. ("Champions"); Shannon Waugh of Off Cinco ("Off Cinco"); Jonathan Roach, Frank Mitchell and Daniel Scruggs of Roach & Mitchell, PLLC ("RMPLLC"); and Ryan O'Hara of Hutchinson, Shockey, Erley and Co. ("HSE").

The Vice 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 meeting held on September 27, 2016. Director Love made a motion to approve the minutes. The motion was seconded by Director Crane and passed 3-0, with Director Richardson abstaining.

#### PUBLIC COMMENTS

There were no comments from the public.

#### CLOSING ON 2016 REFUNDING BONDS

Mr. O'Hara and Mr. Roach went over the details of the closing on the Series 2016 Refunding Bonds with the Board and reminded the Board that the final total savings to the District equaled approximately \$679,631.67. After brief discussion, Director Nelson moved to approve the closing of

the Series 2016 Refunding Bonds. Director Love seconded the motion, which carried unanimously.

#### **UPDATE ON WEBSITE HOSTING (IT) SERVICES TRANSITION AND WEBSITE DESIGN**

Ms. Waugh presented a handout, detailing the website statistics, for review by the Board. After brief discussion regarding some changes to be made to the website, the Board concurred that Ms. Waugh could attend the Board meetings on an as-needed basis.

#### **TAX ASSESSOR COLLECTOR REPORT**

Ms. Wheeler presented the year-end, a copy of which is attached as **Exhibit A**. The Board had no questions Tax Assessor Collector Report for Ms. Wheeler at this time. Director Richardson made a motion to accept the Tax Assessor Collector Report. Said motion was seconded by Director Crane and passed unanimously.

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

Ms. Wheeler presented the delinquent tax collections attorney report and noted that there had been several delinquent collection letters sent out and three payment agreements had been reached. She noted that Perdue Brandon Fielder Collins & Mott, LLP is still working on collections in the approximate amount of \$15,000 outstanding.

#### **PUBLIC HEARING REGARDING 2016 TAX RATE**

Mr. Roach reminded the Board that it had previously indicated its intent, and published notice regarding, the levy of the District's 2016 tax rate as follows: \$0.40 per \$100 of assessed valuation for debt service and \$0.14 per \$100 of assessed valuation for maintenance and operations, for a total proposed 2016 tax rate of \$0.54. The Board then opened the public hearing on the proposed 2016 tax rate. There was no public comment, and the Board closed the public hearing.

#### **ORDER LEVYING 2016 TAXES**

Mr. Roach next presented an Order Levying Taxes for 2016 reflecting the tax rates proposed by the Board. After brief discussion, Director Nelson moved to adopt the Order Levying Taxes indicating a 2016 tax rate of \$0.54 per \$100 of assessed valuation, comprised of \$0.40 for debt service and \$0.14 for maintenance and operations. Director Richardson seconded the motion, which carried unanimously.

#### **AMENDMENT OF THE DISTRICT INFORMATION FORM**

Mr. Roach next presented an Amendment to the District Information Form in connection with the 2016 tax levy and explained the requirements for filing same with Harris County and the Texas Commission on Environmental Quality ("TCEQ"). After brief discussion, Director Nelson moved to authorize the amendment and filing of the Amendment to the District Information Form. Director Love seconded the motion, which carried unanimously.

## BOOKKEEPER'S REPORT

Mrs. Colondres next presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit B. She noted that four checks for signature that were not on the report related to the 2016 Bond closing. Director Nelson asked how many collateral pledges the District currently has, and Mrs. Colondres noted that only one financial institution is required to pledge at this time due to the amounts at other banks being FDIC insured. After no further questions, Director Love moved to approve the Bookkeeper's Report and payment of the checks and invoices presented. Director Nelson seconded said motion, which carried unanimously.

## ENGINEER'S REPORT

Mr. Vogler presented the Engineer's Report dated September 2016, a copy of which is attached hereto as Exhibit C. Mr. Vogler presented for the Board's signature the previously approved contract for the Barkers Ridge Sections 4 and 5 sanitary sewer televising project. Mr. Vogler noted that the second televising project for Oak Ridge Place Sections 1, 2 and 3 was bid and VVI received and is recommending awarding the contract for the low bid from MagnaFlow for \$12,582.45. He also noted that the application for waste discharge permit renewal is ready and will be sent to the TCEQ. Mr. Vogler then presented to the Board some photos of the Mayde Creek MUD drainage project. He also asked that the Board choose a paint color for the recoating project of Water Plant No. 1 ("WP1"). Mr. Vogler stated that VVI had heard from Harris County Flood Control District regarding the pilot channel and they noted that the issue is being passed on to the current property owner and the property management group. After brief discussion, Director Nelson moved to authorize signature of the first contract with MagnaFlow and award the second contract to MagnaFlow. Director Love seconded the motion, which carried unanimously.

Ms. Wheeler exited the meeting during the Engineer's Report.

## STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Fort presented the report from Champions, a copy of which is attached hereto as Exhibit D. Mr. Fort also presented several proposals for additional maintenance projects. Mr. Fort noted that there was no response from Harris County Flood Control District regarding repair of the sinkhole at the airport. The Board decided to defer any action until a meeting can be set up with Harris County Flood Control District representatives.

## 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 there was a transformer which blew at WP1, and that several leaks were reported and repaired throughout the District. He also noted that there were no permit violations for the month. Mr. Garcia provided the Board with a list of upcoming expected District expenses. He also presented a flyer regarding winterization and asked to include it in the next District water bill. Mr. Garcia noted that there was a problem with two of the pumps at one of the lift stations,

which he presented photos to evidence the problems. Mr. Garcia suggested replacing the pumps, and he presented the Board with two options and prices for same. After brief discussion, Director Richardson moved to authorize purchase and replacement of two Flygt pumps for \$15,600 each. Director Crane seconded said motion, which carried unanimously.

### **REVIEW INVESTMENT AND RELATED POLICIES**

Mr. Roach noted that the Board is required by statute to perform an annual review, and update as necessary, the District's Investment Policy, and he reviewed the general requirements and procedures for investment of District funds as outlined in the policy. Director Love then moved to adopt a Resolution indicating the Board had completed its annual review of the Investment Policy with no required changes to be made. Director Nelson seconded said motion, which passed unanimously.

### **ATTORNEY'S REPORT**

Mr. Roach reported that RMPLLC is still in the process of updating the firm's IT systems and is still reviewing electronic signature options and action item list issues. Mr. Roach also presented a notice from the West Harris County Regional Water Authority ("WHCRWA") indicating a fee increase from \$2.25 to \$2.45 for groundwater and \$2.65 to \$2.85 for surface water effective January 1, 2017.

### **DISCUSS OPTIONS FOR SOLID WASTE**

There was discussion among the Board about whether and how to proceed reviewing garbage collection services and options again because there had been some indication from at least one of the homeowners associations ("HOAs") that the issue will be raised again soon. The Board concurred that the HOAs should discuss as a collective group and then present a unified proposal to the Board for consideration.

### **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 discuss any pending business or matters for future agendas, except to set the next two Board meetings which will be held at the RMPLLC Williams Tower office on November 29, 2016 and January 6, 2017.

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