

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors May 23, 2017

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, 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:

Randy Love, President
Patricia Richardson Vice President
C.L. "Steve" Crane, Secretary
Gary Nelson, Assistant Secretary
Michael McGlaughlin, Director

all of said persons were present, except for Directors Richardson and Crane, thus constituting a quorum.

Also present were Cynthia Colondres of Municipal Accounts & Consulting, L.P. ("MA&C"); Taylor Reed of Van De Wiele & Vogler, Inc., ("VVI"); Traci Chapa and Michael Williams of Gulf Utility Service, Inc. ("GUS"); Josh Fort of Champions Hydro-Lawn ("Champions"); Jonathan Roach, Frank Mitchell, Daniel Scruggs, and Shaila Shah of Roach & Mitchell, PLLC ("RMPLLC"); Ray Acre of Wheeler & Associates, Inc. ("Wheeler"); residents Gary Tober, Jerald Garcia, Marcia Thomas, and John Gibson; and Yisel Castillo from Regions Bank.

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 meeting held on April 25, 2017. Director McGlaughlin requested that RMPLLC make one revision regarding reference to the District map. Upon motion by Director Nelson, seconded by Director Love, and the Board voted unanimously to approve the minutes of April 25, 2017, as revised.

PUBLIC COMMENTS

The President recognized Ms. Castillo, who stated that the District has bonds with Regions Bank and simply wanted to introduced herself to the Board. Mr. Tober, Mr. Garcia, Ms. Thomas, and Mr. Gibson greeted the Board and stated that they did not have any comments at this time.

DISCUSSION REGARDING BARKERS CROSSING HOMEOWNERS ASSOCIATION ("BCHOA") POND TRAIL, INCLUDING REVIEW OF POSSIBLE MAINTENANCE AGREEMENT

Mr. Roach stated that he followed up with BCHOA regarding the possible maintenance agreement but that they responded to advise the BCHOA Board of Directors had not yet met to review comments to same. He noted that he received an email from resident Tom Fullen who stated his belief that maintenance of the trail is the District's responsibility and that he was preparing a list of requests for the Board to consider. The Board discussed possibly removing the agenda item until BCHOA responds. Director Love suggested that the agenda item remain until the next meeting and if BCHOA has not reached out to the District as of that meeting, the agenda item could be removed.

TAX ASSESSOR COLLECTOR REPORT

Mr. Arce presented the Tax Assessor Collector Report, a copy of which is attached as **Exhibit A**. Mr. Arce reviewed the collections for the month and the checks submitted for review and approval. Mr. Acre then reviewed the certified values and tax rates from the past two years. Director McGlaughlin asked if Harris County Appraisal District had commented on the certified values and Mr. Acre stated that they had most likely not tracked the growth specifically within the District. Mr. Acre also discussed Senate Bill No. 2 with the Board and informed them that he would provide additional information at the June meeting. The Board had no further questions regarding the Tax Assessor Collector Report at this time. Upon motion by Director McGlaughlin, seconded by Director Nelson, the Board voted unanimously to accept the Tax Assessor Collector Report and the payment of checks.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

There was not report to present at this time.

BOOKKEEPER'S REPORT

Mrs. Colondres next presented the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit B**. She noted that the District received the payment due from Mayde Creek Municipal Utility District, and the District's next debt service payment will be due in October. Upon motion by Director Love, seconded by Director Nelson, the Board voted unanimously to approve the Bookkeeper's Report, including payment of the checks presented.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as **Exhibit C**. He stated that the District is still waiting to obtain easements for the Dulaney Road and Morton Road water main extensions. Mr. Reed also stated that VVI received the draft Waste Discharge Renewal Permit from the Texas Commission on Environmental Quality ("TCEQ") and published the second (2nd) public notice as required. He stated that VVI is still waiting for the final permit. Mr. Reed then noted that the punchlist for the Recoating of Water Plant No. 1 was completed and the final payment was released to the contractors.

Mr. Reed then gave an update regarding the cleaning and televising projects for both Barkers Ridge, Sections 4 and 5 and Oak Ridge Place, Sections 1, 2 and 3. He noted that the field work was complete and he presented Pay Application No. 1 and Final in the amount of \$15,952.20 for Barkers Ridge Section 4 and 5 and Pay Application No. 1 and Final in the amount of \$12,582.45 for Oak Ridge Place, Sections 1,2, and 3.

Mr. Reed noted that VVI resubmitted the plans to Harris County Flood Control District ("HCFCD") to address the channel and detention pond silting issue. Director Love inquired on the time frame for HCFCD to review the resubmitted plans. Mr. Reed stated that VVI should receive the additional comments or approval soon. Mr. Reed then noted that there was erosion along the backslope swale south of Appletree Hill Lane.

Mr. Reed then pulled up the Google Earth map of the District and advised that it is now updated and will continue to be as VVI receives new information. Director McGlaughlin inquired if VVI was working with GUS to confirm that all information presented was current regarding repairs and other issues.

Upon motion by Director McGlaughlin, seconded by Director Love, the Board voted unanimously to approve the Engineer's Report and the Pay Applications listed therein.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Fort presented the Maintenance Report to the Board, a copy of which is attached as **Exhibit D**. Mr. Fort noted that he had not walked the Barkers Crossing detention pond yet but there are currently no maintenance issues for the month as all of Champions' designated work is complete.

OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations Report to the Board, a copy which is attached as **Exhibit E**. Mr. Williams noted the District service calls and various repairs made throughout the District within the month of April. Mr. Williams noted that there were no permit violations and no other operational issues to report within the month. Mr. Williams also reported that the water accountability for the month of April was 94% and the Board discussed same with Mr. Williams advising that 94% is in the average range for the District.

Mr. Williams then presented the disconnect and reconnect list to the Board. Director McGlaughlin inquired if the total amount due shown on the report includes the customer deposits. Ms. Chapa stated that there is a different report that shows the total amount due with the deposits applied and that she would include it in the disconnect/reconnect list next month. Director Love inquired if and when the accounts are being sent to collections, and Mr. Williams stated that the accounts are sent to collections monthly and after the deposits are first applied to the balance. Mr. Williams also reported on the accounts that were opened through Severn Trent, the operator prior to GUS and advised that 35 accounts reflect a \$0 deposit but GUS needs to investigate to confirm the information.

Mr. Williams next reported that all of the repairs at Water Plant No. 2 and for Blower No. 3 at the Wastewater Treatment Plant should be complete by next month. Mr. Williams discussed the punchlist items that were noted during the facility tour. Director McGlaughlin suggested that the Board members should have the resident waivers available for the next tour.

Mr. Roach stated that the Consumer Confidence Report (“CCR”) should be distributed to the residents in the District by July 1, 2017 and noted that GUS could distribute it electronically. Upon motion by Director McGlaughlin, seconded by Director Love, the Board voted unanimously to approve the CCR and the electronic distribution, subject to Board and consultant review.

ATTORNEY’S REPORT

Mr. Roach stated that there was no update regarding the policies for electronic signatures at this time. Mr. Roach reported that he forwarded the Board-executed Interlocal Agreement to HCFCD and that the reimbursements will start this year with HCFCD paying the District approximately \$17,000 over a three (3) year period.

Director McGlaughlin asked about the status of the District’s electronic records, and Mr. Roach stated that RMPLLC is in the process of reviewing and updating the records to ensure that all current and pertinent historical documents are posted.

Mr. Roach then reported that the legislative session will end on May 29, 2017 and that he will provide an update on the municipal utility district (“MUD”) relevant bills that were passed at an upcoming Board meeting.

Director McGlaughlin noted that he forwarded a copy of the letter regarding the directors outreach dinner at the Fry Road MUD administration building.

ADDITIONAL COMMENTS FROM THE PUBLIC

There were no additional comments.

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

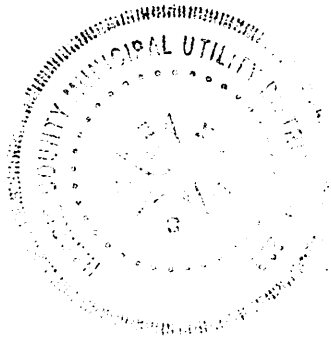
Director Love reported that Director Nelson researched the smart meter program through Badger Meter (“Badger”), and he recommended that the Board pursue the program. Discussion ensued regarding the research into the program and the Board’s past discussions on the topic, and Director McGlaughlin noted that GUS should discuss the program internally and stated that he

would like Badger to provide testimonials from other MUDs along with additional information. Director Nelson reported on his communications with Badger and stated that the Board would need to decide soon as the price had increased compared to what was offered by Badger at the end of 2016. The Board requested that this matter be added to the June agenda.

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.

[SEAL]




Secretary,
Board of Directors

LIST OF EXHIBITS

Exhibit A	Tax Assessor/Collector Report
Exhibit B	Bookkeeper Report
Exhibit C	Engineer Report
Exhibit D	Maintenance Report
Exhibit E	Operations Report