

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors August 22, 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, thus constituting a quorum.

Also present were Cynthia Colondres and Putri Tesalonika 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"); Jonathan Roach, Frank Mitchell, and Shaila Shah of Roach & Mitchell, PLLC ("RMPLLC"); Josh Fort of Champions Hydro-Lawn ("Champions"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler"); Inderia Faucher, President of Barkers Crossing Homeowner's Association ("BCHOA"); 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 Board meeting held on July 25, 2017. Mr. Roach noted that the comments from Director McGlaughlin were incorporated. The Board discussed the requested corrections submitted by Director McGlaughlin regarding the visitors who attended the July Board meeting, the BCHOA trail, and the Champions report. Upon motion by Director Crane, seconded by Director Love, the Board voted unanimously to approve the minutes of July 25, 2017, as revised with certain revisions agreed upon by the Board.

PUBLIC COMMENTS

There were no public comments.

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

Director Crane presented a report on the detention facilities and the walking trail in Barkers Crossing. He noted the areas that needed repair around the Barker's Crossing detention pond ("Pond"). The Board and Ms. Faucher next reviewed and discussed the designed flood backflow gates and additional man-made dams and the impact of same on flooding on the walking trail which caused damage to the trail. Director Crane noted that he would like to prioritize the clean out of the Pond and confirmation of proper hydrological functioning before addressing other issues. Discussion ensued regarding which entity had responsibility to maintain the Pond versus the detention facility. The Board re-iterated that BCHOA should contact Harris County Flood Control District ("HCFCD") and/or Harris County Precinct 3 to discuss maintenance options by those entities. Mr. Reed noted that the pond maintenance responsibilities are to the District. Ms. Colondres stated that the Board did not separately budget for the maintenance of the Pond but Mr. Fort advised that said budget is included in the general maintenance budget provided by Champions. Further discussion ensued regarding time and costs to clean the Pond.

Mr. Roach then presented the proposed Maintenance Agreement between the District and BCHOA. He noted the changes that were made regarding the maintenance of the trails, monetary responsibility, and the liability of the District and of BCHOA. Ms. Faucher inquired as to kids playing in the Pond, and the Board responded that this is not allowed. Discussion then ensued between the Board and Ms. Faucher regarding liability and possible signage. Director McGlaughlin requested that Mr. Fort provide examples of signage at the next meeting. Director McGlaughlin also inquired as to whose monetary responsibility the irrigation system leak and corresponding sideslope wash out on the hill side would be. Mr. Roach noted that generally whoever caused the damage should be responsible.

ENGAGE AUDITOR TO PREPARE ANNUAL AUDIT FOR FISCAL YEAR ENDED AUGUST 31, 2017

Mr. Roach noted that the auditor was already engaged at the June meeting.

REVIEW FINANCIAL ADVISOR'S 2017 TAX RATE RECOMMENDATION

Mr. Roach noted that this item will be deferred to the September meeting.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce presented the Tax Assessor/Collector Report, a copy of which is attached as Exhibit A. Director Love inquired as to the layout of the month versus annual collections on the report. Mr. Arce then reviewed the collections for the month and the checks submitted for review and approval. After no further discussion, Director Nelson made a motion to approve the Tax Assessor/Collector Report. Director Love seconded said motion, which passed unanimously.

DELINQUENT TAX ATTORNEY REPORT

Mr. Arce also presented the Delinquent Tax Attorney Report from Mr. Cox's office. He stated that he requested that the shorthand notes be written out in the report to accurately document addresses. Mr. Arce and Director Love briefly discussed the delinquent tax collection process. He then noted that there were no action items.

BOOKKEEPER'S REPORT

Mrs. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit B. She noted that the next debt service payment would be made on October 1, 2017. After no questions, Director McGlaughlin made a motion to approve the Bookkeeper's Report, including payments of the checks presented. Director Love seconded said motion, which passed unanimously.

ADOPT OPERATING BUDGET FOR 2017-2018 FISCAL YEAR, AND RELATED MATTERS

Mrs. Colondres next presented the budget for the 2017-2018 fiscal year. She noted that she revised the budget to include the information previously received from the consultants. The Board briefly discussed the budget allotted for the Pond and agreed that it did not need to be amended at this time. Upon motion by Director Love, seconded by Director Crane, after full discussion and the question being put to the Board, the Board voted four in favor and one abstention (4-0-1), with Director McGlaughlin abstaining, to adopt the budget as presented for the 2017-2018 fiscal year.

ENGINEER'S REPORT

Mr. Reed then presented the Engineer's Report, a copy of which is attached hereto as Exhibit C. Mr. Reed reported that the District is still waiting to obtain easements for the Dulaney Road and Morton Road water main extensions. Mr. Reed next noted that he is trying to schedule a meeting with representatives to discuss the experimental treatment for the sludge hauls. Mr. Reed then discussed the designed flood gates at the Pond and noted that they are functioning correctly during rain events but agreed that they could use some maintenance. Director McGlaughlin then inquired about the online GIS map of the District and confirmed that the repairs and construction areas were updated on a regular basis. Discussion ensued regarding the manholes illustrated on the map and the previous manhole studies that were conducted in the District. Director Love stated that he believes all the manholes should be located and the manhole covers that need to be raised should be noted. Director McGlaughlin stated that he is not in agreement and requested that all areas with customer concerns should be added to the map. He requested that the map be presented at every meeting and any monthly issues discussed. The Board reviewed options for an updated manhole survey, the buried manhole covers, and how many manhole covers have already been located. Additional discussion ensued regarding the costs associated with a manhole survey. Director McGlaughlin next inquired as to the issue on Greenhouse Road and additional discussion occurred regarding the manholes.

Mr. Roach lastly commented on the easements for the Dulaney Road and Morton Road water main extensions. He provided Director Richardson a copy of the Oak Ridge Place easement for review and informed her that she could forward to the appropriate parties with the Oak Ridge Place

Homeowners Association. Director Love then motioned to accept the Engineer's Report. Director Crane seconded and the motion passed unanimously.

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 there were no issues to report. He also noted that he would present a proposal to desilt and clean the Barkers Crossing Pond area at the September meeting. There was no Board action required at this time.

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 July. Mr. Williams next requested approval to repair three (3) joints of pipe that are leaking on the air header at the Wastewater Treatment Plant. He noted that the cost will be approximately \$8,000. Upon motion by Director Love, seconded by Director Crane, the Board voted unanimously to authorize the pipe repair at an estimated cost of \$8,000.

Mr. Williams also presented the disconnect and reconnect list to the Board. He noted that he would add a column with the disconnect date on future reports. Mr. Williams then noted that he followed up with Lone Star Glass regarding the window and frames replacement at Water Plant No. 1. He stated that the windows would allow for adequate ventilation in the booster pump room and that there should not be any issues. Mr. Reed, Mr. Williams, and the Board briefly discussed the temperature in the booster pump room. Upon motion by Director Crane, seconded by Director Richardson, the Board voted unanimously to authorize the replacement of the window and frames at Water Plant No. 1 at a cost of \$4,072.37.

Director McGlaughlin stated that he spoke with Mr. Williams regarding revisions on the Consumer Confidence Report ("CCR"). Mr. Williams discussed the corrections that were made. Mr. Williams also presented a request from a resident regarding a payment plan. He stated that the Board had already approved a payment plan, but that the resident was requesting additional time (7 months) due to the leak charges. Director Richardson made a motion to approve the seven (7) month payment plan. Director Crane seconded said motion, which passed unanimously.

DISCUSSION REGARDING SMART METER PROJECT OPTIONS

Mr. Williams stated that smart meters were installed at the Directors houses and that they were signed on in the cellular phone application. He noted that there are currently no issues and the meters are reading well. He discussed the status of the action plan with the Board and noted that GUS will continue to monitor the test program. Director Nelson inquired as to how the instructions for the smart meters and phone applications will be presented to the residents. Discussion ensued regarding the options, including door tags and bill inserts. Additional discussion then ensued regarding the switch from test accounts to actual accounts, as well as the meter readings and the

correlation to the future water bills. Mr. Williams stated that the would research the Board's questions and provide information at the September meeting.

ATTORNEY'S REPORT

Mr. Roach reported that Harris County is still reviewing the Interlocal Agreement for Mowing Maintenance. He next noted that the legislative special session ended the week of August 14, 2017, but there is still a possibility of a second special session as not all of the governor's agenda items had been addressed by the legislature. Mr. Roach briefly discussed certain bills that did pass to date. Mr. Roach then noted that RMPLLC has introduced a new e-signature program through DocuSign. He noted that another district is serving as the test program and an e-signature policy will follow in the next few months.

ADDITIONAL COMMENTS FROM THE PUBLIC

Mr. Tober inquired as to the URL link to the CCR and inquired if a bitly could be used in the future. Mr. Williams stated that they are required to provide the full URL link to the consumers.

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

There was no 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 Richardson 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