

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Meeting of Board of Directors September 26, 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 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"); Frank Mitchell and Daniel Scruggs of Roach & Mitchell, PLLC ("RMPLLC"); Josh Fort of Champions Hydro-Lawn ("Champions"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler"); Ryan O'Hara of Hutchison, Shockey, Erley & Co. ("HSE"); and residents Gary Tober and Marsha Thomas (late).

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 August 22, 2017. Director Crane noted some corrections he wished to have made to the minutes. After further discussion, upon motion by Director Love, seconded by Director Richardson, the Board voted unanimously to approve the minutes of August 22, 2017, with certain revisions agreed upon by the Board.

#### PUBLIC COMMENTS

Mr. Tober discussed an issue regarding the GUS offices being closed for too long during lunch which he felt could cause a problem for those wishing to pay their bill in person. The Board noted his concern and asked that GUS try to stagger when lunches are taken in an attempt to reduce any down time.

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

Mr. Mitchell noted that RMPLLC had not received any further contact from the BCHOA. The Board requested that RMPLLC remove the item from the agenda until further contact had occurred. Director Crane noted that he and Mr. Reed had visited the Barkers Crossing pond during Hurricane Harvey and met with BCHOA representatives and residents who had attempted to dam one of the spillways. The Board discussed whether this had any impact on the operations of the District's facilities. Mr. Reed indicated that it did not have any negative impact on the facilities.

Ms. Thomas entered the meeting at this time.

**REVIEW FINANCIAL ADVISOR'S 2017 TAX RATE RECOMMENDATION**

Mr. O'Hara provided HSE's 2017 tax rate recommendation for the District. He discussed with the Board the process of a reappraisal and the effects of the flood damage in the area caused by Hurricane Harvey. After brief additional discussion, Director Richardson moved to authorize publication of a proposed tax rate of \$0.51 per \$100 of assessed valuation of property within the District, comprised of \$0.37 for the purposes of making debt service payments and \$0.14 for the purposes of maintenance and operation expenses of the District. Said motion was seconded by Director Crane and passed unanimously.

**TAX ASSESSOR/COLLECTOR REPORT**

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

**DELINQUENT TAX ATTORNEY REPORT**

Mr. Arce also presented the Delinquent Tax Attorney Report from Mr. Cox's office. Director Love inquired about the amount the Delinquent Tax Attorney had been paid. Mr. Arce briefly explained the payment and delinquent tax attorney fee process as it relates to delinquent tax collections within the District.

**BOOKKEEPER'S REPORT**

Mrs. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit B**. She noted that MAC had received a phone call from BBVA Compass Bank inquiring about any flood damage in the District. After no questions, Director Nelson made a motion to approve the Bookkeeper's Report, including payments of the checks presented. Director McGlaughlin seconded said motion, which passed unanimously.

## 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 had obtained one of the easements along Dulaney Road from the Oak Ridge Homeowners Association. Director McGlaughlin inquired as to when the project would be bid. Mr. Reed stated that VVI will need to renew the District's approvals from Harris County because they have since expired. There was discussion among the Board regarding flooding in the area. Mr. Reed presented some photographs of the District during Hurricane Harvey. After discussion, the Board concurred to have Director Crane contact the BCHOA regarding any potential damages they may have caused to fences or other structures of the District near the Barkers Crossing pond. Director Love asked about a pilot channel in the District and Mr. Reed noted that it was ready for Champions to begin the desiltation and re-establishment project. 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. He presented several drone photographs of the District. He noted that Champions had not been able to put together a bid for the clean-up of the Barkers Crossing pond due to the ground remaining so wet. Director McGlaughlin asked that Mr. Fort prepare a cost estimate to clean up the trash and repair the area which may have been damaged by BCHOA and its residents as discussed earlier in the meeting. Mr. Fort then presented a quote for no trespassing related signage near the Barkers Crossing pond, and Mr. Mitchell discussed the signage with the Board.

## OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations and Maintenance Report to the Board, a copy which is attached as Exhibit E. Mr. Williams discussed some of the repairs necessary as a result of Hurricane Harvey. Director Crane brought up an issue regarding an electrical pole that had broken off and fallen in his yard causing some intermittent power issues. Director Crane asked about the neighborhood survey regarding missing box covers. Mr. Williams then noted that the new windows were ordered and should be installed soon at Water Plant No. 1 control building. After discussion, Director Richardson moved to pull and diagnose the existing fine screen at the Wastewater Treatment Plant ("WWTP") and also to replace certain lights in the pump room at Water Plant No. 1. Director McGlaughlin seconded said motion, which passed unanimously.

Mr. Williams stated that delinquent/cut-off notice door tags were not distributed because they were scheduled to go on the day Hurricane Harvey arrived. He also stated that late notices were deferred for the rest of the month because the bills were also delayed due to Hurricane Harvey. Director McGlaughlin then brought up a radon issue currently noted at the District's Well No. 2. There was brief discussion surrounding the issue and possible remedies. Director Love then thanked GUS for doing such a great job during Hurricane Harvey.

Mr. Williams next presented some customer issues. He noted that the residents at 3302

Bluebonnet Meadow wished to have a second returned check fee plus the late payment fees, totaling \$30.53, refunded to them. Director McGlaughlin moved to refund the amounts as discussed. Director Nelson seconded said motion, which passed unanimously. Mr. Williams then presented a request by the customer at 3418 Piney Forest who stated that she did not receive a written statement in July and wanted her late fee waived. After discussion, Director Love moved to approve the waiver of late fees as discussed. Director Nelson seconded said motion, which passed unanimously. Lastly, Mr. Williams presented a complaint from a customer at 19310 Hickory Meadow regarding what they felt was an erroneous read on the water meter. Mr. Williams noted that they had checked the meter and it had been reading properly. Director Love moved to deny the waiver of fees related to the meter and install a smart meter at the customer's residence as soon as possible. Director Richardson seconded said motion, which passed unanimously.

Ms. Colondres and Mr. Arce exited the meeting during the Operations and Maintenance Report.

### **STATUS OF HURRICANE HARVEY RESPONSE AND RELATED MATTERS**

Mr. Williams presented a slideshow of some of the issues that occurred in the District during Hurricane Harvey. He noted that there were a few minor water line breaks and leaks, but all have been repaired. He also noted that the lift station at the WWTP went out for a short time due to electricity going out. Mr. Williams stated that there was limited damage to homes in the area. After discussion, the Board requested that Mr. Williams provide a quote to raise the control panel at Lift Station No. 3.

### **DISCUSSION REGARDING SMART METER PROJECT OPTIONS**

Mr. Williams noted that the manufacturer stated that the smart meters should be delivered around the 15<sup>th</sup> of October. Mr. Williams then presented door hangers that will go out to the District's customers letting them know of the meter change. The Board asked Director Richardson and Director Crane to contact the applicable homeowner's associations to let them know of the upcoming change.

### **ATTORNEY'S REPORT**

Mr. Mitchell presented the attorney's report and noted that the interlocal mowing agreement with Harris County Flood Control District had been finalized and the item will be removed from the agenda. Mr. Mitchell also reminded the Board that the legislative update had been posted for their review and highlighted a few of the new laws that passed which may impact the District.

### **ADDITIONAL COMMENTS FROM THE PUBLIC**

Ms. Thomas asked how to know if the storm sewers are functioning properly, and the Board noted that she could ask Harris County as the county is responsible for the storm sewers. Mr. Tober noted that the post office on Clay Road was expected to re-open soon. He also commended the front desk employees of GUS for being great at customer service.

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

The Board did not enter executive session.

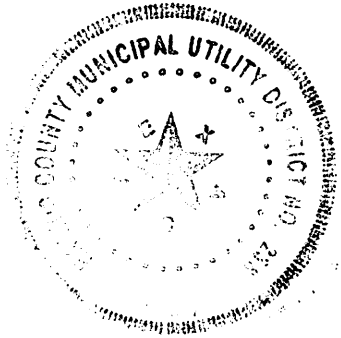
DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

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]



A handwritten signature in black ink, appearing to be "R. Love", written over a horizontal line.

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 and Maintenance Report