

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors March 27, 2018

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 Director McGlaughlin, 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"); Michael Williams of Gulf Utility Service, Inc. ("GUS"); Jonathan Roach, Frank Mitchell and Shaila Sreedharan of Roach & Mitchell, PLLC ("RMPLLC"); Josh Fort of Champions Hydro-Lawn ("Champions"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler"); Ron Julun, Gary Tober and Marcia Thomas, residents of the District.

The President called the meeting to order and declared it open for such business as might come before it.

APPROVE MINUTES

Mr. Roach presented the minutes of the January 5, 2018 special meeting, the January 23, 2018 regular meeting, and the February 27, 2018 regular meeting. Mr. Roach noted that the January minutes were revised as per the Board and consultant comments. He also noted that the February minutes were revised as per comments from Directors Crane and Richardson. Director Nelson made a motion to approve the January 5, 2018 special minutes, the January 23, 2018 regular minutes, and the February 27, 2018 minutes with the revisions noted above. Director Love seconded said motion, which carried unanimously.

PUBLIC COMMENTS

There were no public comments.

DISCUSSION REGARDING G.O. WEISS LANDFILL ("LANDFILL") ON GREENHOUSE ROAD

Mr. Roach noted that the Harris County Attorney had previously advised in a letter that the

Landfill was not in compliance with a prior Settlement Agreement, and Mr. Roach noted that he will forward the letter for Board review before the next meeting.

DISCUSSION REGARDING BARKER'S CROSSING DETENTION POND, TRAIL AND FENCE

Mr. Roach advised that RMPLLC met with Director Love and Ms. Faucher, President of Barkers Crossing Homeowners' Association (BCHOA) on March 26, 2018. He noted that Ms. Faucher was agreeable on the majority of the issues including the District and BCHOA sending a joint letter to Harris County regarding the pond and maintenance issues. Director Love noted that they also discussed the damaged fence issue and determined that, with Board concurrence, the District may be in the best position to repair the fence at this time. Mr. Fort noted that Champions could repair it at minimal cost. After additional discussion ensued, upon motion by Director Nelson, seconded by Director Love, the Board voted unanimously to authorize Champions to repair the fence at a cost not to exceed \$500.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce presented the Tax Assessor/Collector Report, a copy of which is attached as Exhibit A. Mr. Arce noted that the District is approximately 96.60% collected and there are no current issues to report. Mr. Arce then presented the Delinquent Tax Attorney Report, a copy of which is attached hereto as Exhibit B. He requested approval to move eight (8) accounts to the uncollectible roll. Upon motion by Director Nelson, seconded by Director Love, the Board voted unanimously to approve the Tax Assessor/Collector Report and the checks presented therein. Director Love then made a motion to move the eight (8) accounts to the uncollectible roll. Director Nelson seconded said motion, which carried unanimously.

DELINQUENT TAX ATTORNEY REPORT

The Delinquent Tax Attorney Report was discussed in the Tax Assessor/Collector Report.

BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit C. She noted the District's next debt service payment is due on April 1, 2018. She also stated that no Directors had registered for the Association of Water Board Directors ("AWBD") Annual Conference yet and she reminded them of the registration timelines. After no questions, and a motion by Director Nelson, seconded by Director Love, the Board voted unanimously to approve the Bookkeeper's Report and the checks presented in the report.

ADOPT OPERATING BUDGET FOR FYE 2019

Ms. Colondres noted that this item would be discussed closer to the end of the fiscal year and requested that discussion be added to the July Board meeting agenda.

AMENDMENT TO TAX ASSESSOR/COLLECTOR CONTRACT

Mr. Arce stated that Wheeler is no longer requesting an amendment to the Tax Assessor/Collector contract.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as Exhibit D. Mr. Reed reported on the Channel/Detention Pond de-silting project, noting that there are no concerns. He stated that the rip-rap is on schedule to be installed. Discussion ensued, and Director Love inquired if the schedule can be accelerated as dirt is entering the channel due to the current lack of rip-rap. Mr. Fort stated that he will attempt to speed up the installation of the rip-rap.

Mr. Reed next provided an update on the Radium testing of the water system, noting that Bob Johnson & Associates ordered the equipment that is needed to run the pilot study on both water plants. He then presented a second proposal in the amount of \$15,240 (approximately \$7,600 per water plant) for the installation of the pilot test system and testing at both water plant sites. Discussion ensued regarding the testing, and Mr. Reed stated that water plant no. 2 is running with an available back up water supply from Mayde Creek MUD if necessary. After no additional questions, Director Richardson made a motion to accept the Bob Johnson & Associates proposal in the amount of \$15,240 for the installation of the pilot test system and the testing at both water plants. Director Crane seconds said motion, which carried unanimously.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Fort presented the Maintenance Report to the Board, a copy of which is attached as Exhibit E. He noted that wildflowers, including bluebonnets, had been planted and were beginning to bloom. He also noted that Champions will repair the holes in the fence as discussed during the Barkers Crossing Detention Pond agenda item.

OPERATIONS AND MAINTENANCE REPORT

Mr. Williams then presented the written Operations and Maintenance Report to the Board, a copy which is attached as Exhibit F. He discussed some of the repairs and alerts within the month of March, noting that seven of the repairs were related to blower and power failures within the District.

Mr. Williams next reported on the smart meters, noting that the smart meter instructional door tags were hung on the residences and approximately 400 smart meter portals have already been set up. Discussion ensued next regarding the process of notifying residents about leaks. Mr. Williams stated that when GUS identifies a leak, they will hang a door tag at the residence. Additional discussion ensued regarding monitoring of the meters, and Mr. Williams noted that the monitoring cost is currently approximately \$2,200. Director Crane stated that the Board should continue to monitor the costs and attempt to reduce any fees as they approach the next fiscal year.

Mr. Williams next discussed the upcoming expenses. He noted that five (5) fire hydrants are in need of repair, a drain valve needs to be replaced at the wastewater treatment plant, and the annual chlorination preventative maintenance at the wastewater treatment plant and water plant no.1 needs to be conducted. Mr. Williams then discussed an additional expense for a chemical additive audit. Discussion ensued regarding the audit and Mr. Williams stated that the pumps will be unplugged and inspected to evaluate how the additive is working. After no questions, Director Nelson made a motion to authorize the upcoming expenses as discussed. Director Love seconded said motion, which carried unanimously.

Mr. Williams presented a request from the resident at 19530 Juniper Vale Circle for a credit for the late fee previously imposed in the amount of \$10.85. Brief discussion ensued regarding the resident's past payment history. Upon motion by Director Nelson, seconded by Director Crane, the Board voted unanimously to approve the credit of \$10.85. Mr. Williams presented a request from the resident at 3646 Clipper Winds Way for either an adjustment to her water bill or a payment plan due to a leak. Brief discussion ensued regarding the details of the leak. Upon motion by Director Richardson, seconded by Director Crane, the Board voted unanimously to offer the resident a three (3) month payment plan. Mr. Williams then presented a request from the resident at 3302 Bluebonnet Meadow Lane for an adjustment on his account for the extra usage incurred from December through February. Mr. Williams stated that the resident claims a leak was caused when the meter was changed out in October; however, Mr. Williams stated that the resident has still not repaired the leak. Extensive discussion ensued regarding the resident's prior water bills and water usage. Upon motion by Director Love, seconded by Director Richardson, the Board voted three-one (3-1), with Director Nelson opposing, to deny the request for a bill adjustment.

Mr. Williams next requested approval to begin preparation of the annual Consumer Confidence Report. Upon motion by Director Love, seconded by Director Richardson, the Board voted unanimously to authorize Mr. Williams to begin preparation of the Consumer Confidence Report.

The Board then discussed the annual District update/newsletter. Director Crane noted that he is working on the update and will submit it to be posted on the District website when completed.

Mr. Arce exited during the Operations and Maintenance Report.

REVIEW CODE OF ETHICS AND RELATED POLICES

The Board deferred any action at this time.

ATTORNEY'S REPORT

Mr. Roach presented the Resolution Designating an Additional Meeting Place Outside of the District ("Resolution"), a copy of which is attached hereto as Exhibit G. He noted that GUS is moving offices and the Board meetings as of April 2018 will be at the new location. He also stated that a notice with the new meeting location will be published in the Houston Business Journal as required

by law. Upon motion by Director Crane, seconded by Director Love, the Board voted unanimously to adopt the Resolution and authorize publication of the required notice.

Mr. Roach next noted that he located the Settlement Agreement between the Landfill and Harris County, as discussed earlier in the meeting. He stated that according to the Harris County Attorney, the Landfill had not complied with three (3) items related to landscape improvements, the installation of a drainage ditch, and the installation of a drainage berm. Discussion ensued and the Board took no action at this time.

REVIEW 2018 DIRECTORS ELECTION MATTERS

Mr. Roach presented the Order Declaring Candidates Elected and Cancellation of the May 5, 2018 Directors Election ("Order"), a copy of which is attached hereto as Exhibit H. He noted that the election can be cancelled as Director McGlaughlin did not apply for another term and Director Richardson withdrew her application, meaning all remaining candidates in the 2018 Directors Election were unopposed. Mr. Roach stated that Gary Tober and Ron Julun will be sworn in as Directors to the Board at the May meeting and certain Director training material will be provided to them at time. After no discussion, Director Love made a motion to adopt the Order. Director Richardson seconded said motion, which carried unanimously.

AUTHORIZE DIRECTOR ATTENDANCE AT AWBD SUMMER CONFERENCE

Ms. Colondres again noted that no Directors had registered for the conference at this time but that the new Board members can register after May 5, 2018, at which time she will provide them with the login information. Directors Crane and Love discussed with Mr. Tober and Mr. Julun the potential benefits of attending the AWBD summer conference.

AUTHORIZE CONSULTANTS TO RESEARCH UNCLAIMED PROPERTY

Mr. Roach explained that the District is required annually to report on, and potentially escheat to the state, any unclaimed property in the District's custody and give notice to certain potential owners of such property. Upon motion by Director Nelson, seconded by Director Crane, the Board voted unanimously to authorize the consultants to search their records for any unclaimed property held by the District and to provide the appropriate notices and file the corresponding report and property with the state as required.

ADDITIONAL COMMENTS FROM THE PUBLIC

Ms. Thomas asked the Board if they had an opinion on certain pending plans for flood control in the area, noting that the matter was mentioned at a recent Westlake Fire Department meeting. The Board did not have any comment at this time.

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

The Board did not enter into executive session.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

There was no discussion on pending business or future agenda matters.

ADJOURNMENT

There being no further matters to come before the Board, Director Love made a motion to adjourn the meeting, seconded by Director Crane, the meeting was unanimously adjourned.

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Approved this day 24 of April, 2018.

[SEAL]




Secretary,
Board of Directors

LIST OF EXHIBITS

- Exhibit A - Tax Assessor/Collector's Report
- Exhibit B - Delinquent Tax Report
- Exhibit C - Bookkeeper's Report
- Exhibit D - Engineer's Report
- Exhibit E - Champion's Report
- Exhibit F - Operator's Report
- Exhibit G - Resolution Designating an Additional Meeting Place Outside of the District
- Exhibit H - Order Declaring Candidates Elected and Cancellation of the May 5, 2018 Directors Election