

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors June 26, 2018

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District"), met at 17332 Groeschke Road, 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
Gary Nelson, Vice President
C.L. "Steve" Crane, Secretary
Gary Tober, Assistant Secretary
Ronald Julun, 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"); Michael Williams and Jeanette Montes of Gulf Utility Service, Inc. ("GUS"); Daniel Scruggs and Shaila Sreedharan of Roach & Mitchell, PLLC ("RMPLLC"); Josh Fort of Champions Hydro-Lawn ("Champions"); Cathy Wheeler of Wheeler & Associates, Inc. ("Wheeler"); Mary Dubois of Acclaim Energy, Inc. ("Acclaim"); and Marcia Thomas a resident 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. Scruggs presented the minutes of the May 22, 2018 regular meeting. He noted that RMPLLC had made revisions as suggested by the Board. Director Nelson then made a motion to approve the May 22, 2018 minutes, as revised. Director Love seconded said motion, which passed unanimously.

PUBLIC COMMENTS

Ms. Thomas inquired as to a proposed road improvement in the District. Mr. Reed noted that he had followed up but had yet to receive a response. Ms. Thomas thanked Mr. Reed for his diligence on the matter.

Ms. Dubois introduced herself and Acclaim. After discussion, she asked that the Board approve and execute a letter of authorization to review the load profile of the District for preparation of electrical rate options for the end of their current electricity contract. She noted it will not cost the District anything to review rates until they approve a new contract. Mr. Scruggs noted issues related to the term of the District's current electrical contract. After brief discussion, Director Love moved to

authorize Acclaim to review the load profile of the District for the preparation of future electrical rate options. Director Tober seconded said motion, which passed unanimously.

DISCUSSION REGARDING BARKERS CROSSING DETENTION POND, TRAIL AND FENCE

Mr. Scruggs noted that RMPLLC had previously sent to Ms. Inderia Faucher and Crest Management the joint letter with Barkers Crossing Homeowners Association (“BCHOA”) regarding the detention pond and maintenance issues, but RMPLLC has still not yet received a response. There was then brief discussion regarding the current mowing procedures for the Barkers Crossing Detention Pond and surrounding trail. The Board then agreed not to take any action at this time, but to leave the item on the agenda for the time being.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Wheeler presented the Tax Assessor/Collector Report, a copy of which is attached as **Exhibit A**. Ms. Wheeler discussed the preliminary certified value of property within the District and discussed what the final certified value may be after protests. After no questions, and a motion by Director Crane, seconded by Director Tober, the Board voted unanimously to approve the Tax Assessor/Collector Report and the checks presented therein.

DELINQUENT TAX ATTORNEY REPORT

Ms. Wheeler presented and reviewed the Delinquent Tax Attorney Report, a copy of which is attached hereto as **Exhibit B**. She noted that there is no action required at this time.

REQUEST TO HARRIS COUNTY APPRAISAL DISTRICT FOR ESTIMATE OF VALUE

Mr. Scruggs presented a request for an updated Estimate of Value from the Harris County Appraisal District (“HCAD”) as of June 1, 2018. Upon Motion by Director Nelson, seconded by Director Crane, the Board vote unanimously to approve the request to HCAD for the estimate of value as of June 1, 2018.

BOOKKEEPER’S REPORT

Ms. Colondres presented the Bookkeeper’s Report, a copy of which is attached hereto as **Exhibit C**. She noted that there were no unusual expenses, but she did note the AWBD reimbursements for Director Tober and Director Julun. There was discussion regarding a capital outlay item in the District’s draft fiscal year end 2019 budget. 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.

AUTHORIZE FILING OF UNCLAIMED PROPERTY REPORT

Mr. Scruggs noted the requirements for submitting an annual unclaimed property report and escheating funds to the state, as applicable. He noted that MA&C had already submitted the report

and it was noted in the Bookkeeper's Report. Upon motion by Director Nelson, seconded by Director Love, the Board voted unanimously to approve the unclaimed property report and its submission by MA&C.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as **Exhibit D**. He noted that VVI and RMPLLC have been in communication with the homeowners association regarding the Morton Road easement but have not obtained any new information.

Mr. Reed next reported on the radium treatment pilot study, noting that the study for both Water Plants No. 1 and 2 is complete and that VVI had sent same for technical review by the TCEQ. The Board then discussed at length the silting issues within the District. Mr. Reed then briefly reviewed the five (5) year capital improvement plan ("CIP"), noting that VVI is still working with GUS to finalize items to be included.

Ms. Dubois and Director Julun exited the meeting at this time.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Fort presented the Maintenance Report to the Board, a copy of which is attached as **Exhibit E**. He presented photographs of the channels and stated that there are no issues to report. He presented a proposal for cleaning out debris within a storm water facility within the District for \$3,125. The Board asked that Champions consider amending the proposal to alter the storm water facility grate so that it is easier to clean in the future. After further discussion, Director Crane moved to approve the proposal with the amendment as discussed for an amount not to exceed \$10,000 and to authorize Director Love to execute the revised proposal. Director Tober seconded said motion, which passed unanimously.

Mr. Fort then reviewed the Resolution Authorizing the Execution of Annual Certificate of Proper Operation. He noted that it is required by Harris County and related to Storm Water Quality Management for the detention facilities. After discussion, Director Crane moved to approve the Resolution Authorizing the Execution of Annual Certificate of Proper Operation. Director Love seconded said motion, which passed unanimously.

OPERATIONS AND MAINTENANCE REPORT

Mr. Williams 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 June. He also noted that there was a blower failure at the Wastewater Treatment Plant, which has since been repaired.

Mr. Williams next presented a request from the resident at 19114 Clevera Walk Lane for a waiver of the late fee in the amount of \$10.48. Mr. Williams reviewed the customer's payment history. Upon motion by Director Crane, seconded by Director Nelson, the Board voted unanimously to approve the request from the resident at 19114 Clevera Walk Lane.

Director Love reviewed an incident that had occurred in the District and resulted in damage to a fire hydrant. After review of pictures of the incident and discussion with Mr. Scruggs, Director Nelson moved to: (1) authorize GUS and RMPLLC to calculate and submit an invoice to the individual who damaged the District property for the costs related to repair as allowed by the District's Rate Order; and (2) approve the Operations and Maintenance Report. Director Crane seconded said motion, which passed unanimously.

REVIEW GENERAL EMERGENCY PLANNING

Director Love noted he is in the process of reviewing the emergency plan and emergency kits with Director Julun. He asked that the Board deferred discussion on this item and keep it on the agenda for next month.

REVIEW OF AWBD ANNUAL CONFERENCE MATTERS

Mr. Scruggs noted that this item was placed on the agenda for those Directors who attended the AWBD Annual Conference. Director Tober inquired what the District has in place for emergency communications with residents. The Board noted that currently the District is in contract with Off-Cinco who has an emergency alert service for the District. Director Tober further discussed some of the seminars from the AWBD conference that he found noteworthy.

AUTHORIZE EXECUTION OF VOTING SYSTEM ANNUAL FILING FORM

Mr. Scruggs advised that the Board is required annually to file a form with the Secretary of State regarding the voting system(s) they may have used during the year, and he asked for authorization for RMPLLC to complete and file the form on behalf of the District. Director Nelson made a motion to authorize the filing of the voting system annual form as discussed. The motion was seconded by Director Crane and passed unanimously.

AUTHORIZE RECORDS MANAGER TO DESTROY OLD MEETING NOTES

Mr. Scruggs asked the Board to consider approval of the destruction of old copies of prior Board meeting notes as allowed by applicable law. Director Nelson inquired as to why the request was being made. Mr. Scruggs responded and reminded the Board that RMPLLC is retaining electronic copies of virtually all District records and that copies of all official meeting minutes are kept in perpetuity. Director Crane then made a motion to allow the destruction of prior meeting notes per applicable law and the District's records retention policies. Said motion was seconded by Director Nelson and passed unanimously.

ATTORNEY'S REPORT

Mr. Scruggs stated that there were no additional issues of a legal nature to report at this time. He noted the electronic signature policy for the District is nearly complete.

ADDITIONAL COMMENTS FROM THE PUBLIC

There were no public comments.

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

Ms. Colondres asked that an agenda item be added to discuss the MA&C contract with the Board next month.

ADJOURNMENT

There being no further matters to come before the Board, Director Love made a motion to adjourn the meeting. Director Nelson seconded said motion, which carried unanimously.

Approved this day 24 of July, 2018.

[SEAL]




Secretary,
Board of Directors

LIST OF EXHIBITS

- Exhibit A - Tax Assessors Report
- Exhibit B - Delinquent Tax Attorney Report
- Exhibit C - Bookkeeper's Report
- Exhibit D - Engineer's Report
- Exhibit E - Champion's Report
- Exhibit F - Operator's Report