

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors July 24, 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"); Jonathan Roach and Shaila Sreedharan of Roach & Mitchell, PLLC ("RMPLLC"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler"); Mary Dubois of Acclaim Energy, Inc. ("Acclaim"); Tom Fullen of the Barkers Crossing Homeowners Association ("BCHOA"), 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 June 26, 2018 regular meeting. Director Crane made a motion to approve the June 26, 2018 minutes, as presented. Director Love seconded said motion, which passed unanimously.

PUBLIC COMMENTS

The Board recognized Mr. Fullen who discussed his concerns regarding the maintenance of the Barkers Crossing Detention Pond Trail (the "Trail"). He provided a brief history of BCHOA's prior maintenance of the Trail and noted that currently the Trail is not being maintained. The Board responded to Mr. Fullen's comments, stating that they had met with the President of BCHOA, Inderia Faucher, at previous District meetings regarding the maintenance and related issues. The Board noted that the most recent meeting with her included a suggestion to send a joint letter to Harris County requesting assistance in maintaining the Trail, but that after RMPLLC prepared the joint letter Ms. Faucher declined to sign the letter. Extensive discussion followed regarding maintenance of other areas in the District. Mr. Fullen noted that he would like BCHOA to resume maintenance of the Trail, and the Board advised that an agreement would be needed between the District and BCHOA

regarding the maintenance, costs, liability, etc. Mr. Roach stated that he would email the previously-prepared agreement to Mr. Fullen. Mr. Fullen thanked the Board for their assistance and noted that he would present the information at the next BCHOA meeting.

Mr. Fullen exited the meeting at this time.

DISCUSSION REGARDING BARKERS CROSSING DETENTION POND, TRAIL AND FENCE

The Board further discussed the status of maintenance of the Trail, and concurred to authorize Champions to mow the Trail one time while the above-referenced agreement is pending. Director Crane requested that Mr. Roach include that information in his correspondence to Mr. Fullen.

REVIEW PROPOSED RETAIL ELECTRICAL PROVIDER OPTIONS

Ms. Dubois presented bids for a new electricity contract, a copy of which is attached as Exhibit A. She noted that the District is currently in a contract with Source Power & Gas through 2019 at a rate of \$0.046 per kilowatt. She reviewed the current electricity market trends and recommended that the Board lock in an electricity rate for the new contract period. She next presented the bids that she received and stated that Engie offered the lowest rate between the 12-month and 36-month periods and that Reliant Energy offered the lowest rate between the 48-month and 60-month periods. Discussion ensued regarding the current rate through Source Power & Gas and the future available rates. The Board next inquired on the fee for Acclaim and Ms. Dubois noted that their fee is built into the electricity rate. After additional discussion, Director Nelson made a motion to: (1) engage Acclaim as the electricity broker for the proposed renewal term; (2) accept Reliant Energy's proposal for a 60-month term from June 2019 through May 2024 at a rate of \$0.04253 cents, subject to an acceptable agreement with Reliant Energy after RMPLLC review; and (3) authorize the Board President or other officer to execute the agreement once in final form.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce presented the Tax Assessor/Collector Report, a copy of which is attached as Exhibit B. After no questions, and a motion by Director Nelson, seconded by Director Julun, the Board voted unanimously to approve the Tax Assessor/Collector Report and the checks presented therein.

DELINQUENT TAX ATTORNEY REPORT

Mr. Roach presented and reviewed the Delinquent Tax Attorney Report, a copy of which is attached hereto as Exhibit C. Brief discussion ensued regarding the judgements that had been entered on the personal property accounts. He noted that there is no action required at this time.

BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit D. She also presented the draft operating budget for fiscal year ending August 31, 2019 and

noted that she forwarded a copy to Director Love for review. She requested that any revisions/additions be sent to her and Director Love for review and that the Board will approve the budget at the August meeting. After no questions, and a motion by Director Nelson, seconded by Director Crane, the Board voted unanimously to approve the Bookkeeper's Report and the checks presented in the report.

REVIEW PROPOSED BOOKKEEPING CONTRACT AMENDMENT

Ms. Colondres presented the amendment to the current Bookkeeping Contract. She noted an increase of \$150 to the base rate and a \$25 increase to the hourly fee. Extensive discussion ensued regarding the increase and the option of soliciting proposals from other bookkeeping companies. The Board agreed that they did not want to solicit proposals from other bookkeeping companies at this time. After additional discussion, Director Nelson made a motion to accept the fee increase and approve the amendment to the Bookkeeping Contract. Director Tober seconded said motion, which carried unanimously.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as Exhibit E. Mr. Roach presented the revised Morton Road easement to include the consent to encroachment language as requested by the Lake Ridge Homeowner's Association. Upon motion by Director Tober, seconded by Director Love, the Board voted unanimously to approve the revised Morton Road easement.

Mr. Reed next reported on the radium treatment pilot study, noting that the report was sent to the Texas Commission on Environmental Quality ("TCEQ") for review and approval, and VVI is now working to revise the report to incorporate the comments received by the TCEQ. Brief discussion ensued regarding future bids for certain which may be performed in connection with the project.

Mr. Reed stated that he is continuing to develop the five (5) year capital improvement plan. He then noted that he was contacted by an engineering firm regarding the rehabilitation of a ditch near the District on behalf of the Harris County Flood Control District. He noted that he will continue to update the Board as the project moves forward.

Director Love then stated that the ditch near the GO Weiss landfill is continuing to accumulate dirt. Brief discussion ensued, and Director Love noted that he will follow up on the matter.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Roach presented the Maintenance Report to the Board, a copy of which is attached as Exhibit F. He briefly discussed the Barker's Crossing Storm Water Quality feature, noting that it will have to be cleaned out, annually inspected and certified to Harris County as properly operating each year. Mr. Reed stated that he will work with Mr. Fort regarding the clean out, inspection and certification.

OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations and Maintenance Report to the Board, a copy which is attached as Exhibit G. He discussed some of the repairs and alerts within the month of June. He also noted that there was a blower failure at Water Plant No. 1, which has since been repaired.

Mr. Williams next presented a request from the residents at 3506 Deeds Road for an adjustment to their bill of \$615.30, as there was a leak when they were out of town. Discussion ensued regarding the payment options for the residents. Upon motion by Director Nelson, seconded by Director Crane, the Board voted unanimously to offer the residents a six (6) month payment plan for the entire bill.

Mr. Williams presented a request from the resident at 19410 Maywood Falls Circle for a waiver of late fees in the amount of \$9.60. After review of the account history and discussion on the matter, and upon motion by Director Love, seconded by Director Julun, the Board voted unanimously to approve the waiver of the \$9.60 late fee.

Mr. Williams then presented a request from the resident at 18122 Dardanelles Court for the waiver of \$102.70 in late, door tag, and reconnection fees. He noted that the resident attempted to pay her bill but says she was not aware that the GUS offices moved because she did not check her mail. Discussion ensued and the Board reviewed the account history and related matters. Director Nelson then made a motion, seconded by Director Tober, to approve the waiver of \$102.70. After extensive additional discussion, the Board voted unanimously to approve the waiver request.

REVIEW GENERAL EMERGENCY PLANNING

Director Love noted that he and Director Julun reviewed the current Emergency Preparedness Plan ("EPP"). Director Julun noted that he was satisfied with the EPP and recommended that the website only include contact information for an emergency. Director Love discussed the chain of communication for an emergency, stating that if he is not available, residents should contact Directors Nelson and then Julun. Director Love then discussed the Director emergency kits and noted that he will deliver the kits to the Directors the week of July 30, 2018.

Director Crane then requested that the odor report form be accessible on the District website. It was noted that the report is already on the website so Director Crane requested that it be moved to a more readily-accessible location.

ATTORNEY'S REPORT

Mr. Roach noted the electronic signature policy for the District is nearly complete. He next discussed the request from the West Harris County Regional Water Authority ("WHCRWA") regarding a Right of Entry Agreement ("Agreement") that was signed by the Board in February 2018. He stated that the agreement only included water plant no. 1 and that WHCRWA prepared another agreement to include water plant no. 2. After discussion regarding the need for access to both plants,

Director Nelson made a motion to approve the Agreement with the WHCRWA. Director Crane seconded said motion, which carried unanimously.

Director Tober discussed the WHCRWA meeting he attended on July 11, 2018. He noted that the U.S. Army Corps of Engineers gave a presentation at the meeting regarding the recent flooding from Hurricane Harvey and other major rain events. Director Tober provided additional information regarding upcoming meetings. Mr. Roach asked the Board if they would like future agendas to include an item regarding Director Reports, and the Board concurred.

ADDITIONAL COMMENTS FROM THE PUBLIC

Ms. Thomas expressed her gratitude to Mr. Reed for addressing a recent concern that she had.

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

Mr. Williams requested that an agenda item be added to discuss the GUS contract with the Board next month.

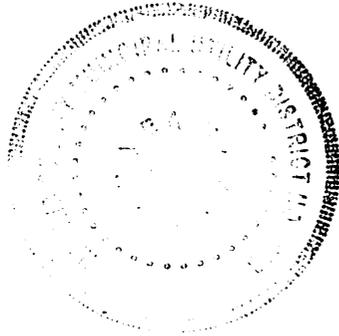
ADJOURNMENT

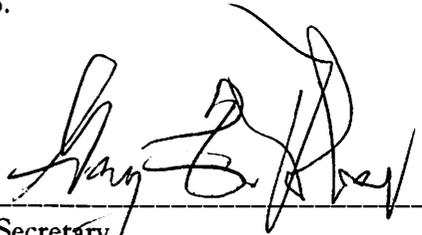
There being no further matters to come before the Board, Director Love made a motion to adjourn the meeting. Director Julun seconded said motion, which carried unanimously.

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Approved this day 28 of August, 2018.

[SEAL]




Secretary,
Board of Directors

LIST OF EXHIBITS

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