

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Meeting of Board of Directors September 25, 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, except for Director Love, 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"); and Josh Fort of Champions Hydro-Lawn ("Champions").

The Vice-President called the meeting to order, declared it open for such business as might come before it, and presided over the meeting.

#### APPROVE MINUTES

Mr. Roach presented the minutes of the August 28, 2018 regular meeting. Upon motion by Director Julun, seconded by Director Tober, the Board voted (3-0-1) with Director Crane abstaining, to approve the minutes of the August 28, 2018 meeting, as presented.

#### PUBLIC COMMENTS

There were no public comments.

#### PUBLIC HEARING ON 2018 TAX RATE

The Board opened the public hearing for the proposed 2018 tax rate. Mr. Roach noted that the Board is proposing a debt service tax rate of \$0.36 and an operations and maintenance tax rate of \$0.14 for a total tax rate of \$0.50 and that publication of same had been made by the District's tax assessor/collector. After no comments, the Board closed the Public Hearing.

## LEVY TAX RATE AND ADOPT ORDER EVIDENCING SAME

Mr. Roach presented an Order Levying Taxes for 2018 reflecting the tax rates proposed by the Board, a copy of which is attached hereto as Exhibit A. After no questions, Director Crane moved to adopt the Order Levying Taxes indicating a 2018 tax rate of \$0.50 per \$100 of assessed valuation, comprised of \$0.36 for debt service and \$0.14 for maintenance and operations, a reduction of 1-cent per \$100 of valuation from the 2017 tax rate. Director Julun seconded the motion, which passed unanimously.

## APPROVE AMENDED DISTRICT INFORMATION FORM

Mr. Roach next presented an Amendment to the District Information Form in connection with the 2018 tax levy and explained the requirements for filing same with Harris County and the Texas Commission on Environmental Quality ("TCEQ"). After no questions, Director Tober moved to authorize the amendment and filing of the Amendment to the District Information Form. Director Julun seconded the motion, which carried unanimously.

## TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce presented the Tax Assessor/Collector Report, a copy of which is attached as Exhibit B. He noted that the District is 99.49% collected for the 2017 taxes. After no questions, and a motion by Director Crane, 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. Arce presented and reviewed the Delinquent Tax Attorney Report, a copy of which is attached hereto as Exhibit C. He noted that there was a default on the one (1) payment plan for the District. He stated that there was no Board action needed at this time.

## BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit D. She noted that Directors Tober and Julun registered for the AWBD Winter Conference. Director Crane noted that he would like to attend the AWBD Fall dinner. Ms. Colondres next reported that the next debt service payment is scheduled for October 1, 2018 and includes mostly interest for the Series 2014 Refunding Bonds. Director Julun next inquired about the deposit refund checks and Ms. Colondres addressed his question. After no additional questions, Director Tober made a motion to approve the Bookkeeper's Report and the checks presented in the report. Director Julun 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. He noted that VVI is addressing the comments for the Morton Road water line extension plans from the applicable governmental agencies. Mr. Reed requested Board approval to advertise and bid the

project once the plans are approved.

Mr. Reed next reported on the radium treatment pilot study and the ion exchange project, noting that the revised report is currently in the 90-day review period with TCEQ. He also noted that the cost of the project is approximately \$300,000. Discussion ensued regarding the timeline for the project. Mr. Reed stated that the construction is estimated to begin in February. He then requested approval to advertise and bid the ion exchange project once approved.

Director Crane next noted that Katy Independent School District (“Katy ISD”) had approached the District a few years ago regarding adding their facilities to the District. Discussion ensued regarding the option. Mr. Roach noted that Katy ISD had approached the District in 2014 but had not communicated further to the District’s initial response at that time. The Board noted that no action is necessary at this time.

Upon motion by Director Tober, seconded by Director Crane, the Board voted unanimously to authorize VVI to advertise the Morton Road water line extension project for bids, to authorize VVI to advertise the ion exchange project for bids after receiving TCEQ approval, and to approve the Engineer’s Report.

#### **STATUS OF MAINTENANCE BY CHAMPIONS**

Mr. Fort presented the Maintenance Report to the Board, a copy of which is attached as **Exhibit F**. He noted that there was a total of four (4) sinkholes at the Barkers Crossing detention pond/trail. Mr. Fort noted that Champions repaired all of the sinkholes. Discussion ensued regarding the cause of the sinkholes and the responsibility for repair. Mr. Fort also noted that Barkers Crossing Homeowners Association (“BCHOA”) had someone mowing the top and half of the slope of the detention pond. He reminded the Board that the BCHOA is only responsible for the top. Director Crane stated that he will contact Mr. Tom Fullen at the BCHOA to discuss their mowing responsibility. Mr. Fort then reported that Champions is still working on the repairs for the Barkers Crossing Storm Water Quality feature.

#### **OPERATIONS AND MAINTENANCE REPORT**

Mr. Williams presented the written Operations and Maintenance Report to the Board, a copy of which is attached as **Exhibit G**. He noted that a resident reported a sinkhole at 19006 Village Maple Court, which was turned over to Harris County as it was a storm sewer manhole issue. Director Nelson and Mr. Williams next briefly discussed the August water production of Water Well No. 1.

Mr. Williams next noted that there were 23 disconnects, 18 reconnects, and 140 door tags hung on the garage doors. He stated that the number of disconnects has increased since the Board requested that the door tags be hung on the garage instead of the front doors. Brief discussion ensued regarding the location of the door tags and the Board concurred to resume hanging the tags on the front doors.

Mr. Williams next reported that when GUS recently drained the hydropneumatic tank at Water Plant No. 1, a significant amount of water drained through adjacent residential yards. Director

Crane presented pictures and videos of the draining water surrounding the houses near the tank. Mr. Williams stated that he would like to install a drain line from the tank to the storm drain in order to avoid future issues. Upon motion by Director Crane, seconded by Director Tober, the Board voted unanimously to authorize an expenditure of \$4,053.50 to install a drain line from the hydropneumatic tank to the storm drain. Mr. Williams next noted that the controller unit for the booster pumps and the wells at Water Plant No. 2 needs to be replaced at a cost of \$5,225. Upon motion by Director Crane, seconded by Director Julun, the Board voted unanimously to replace the controller unit at Water Plant No.2 at a cost of \$5,225.

Mr. Williams next presented a request from the residents at 3210 Clipper Winds Way for an adjustment to their bill of \$80 for the delinquency fee. After discussion and review of the residents' payment history, the Board concurred to deny the request for the \$80 adjustment.

Mr. Williams also presented a request from the residents at 19539 Juniper Vale Circle requesting an adjustment to their bill of \$10.79 for the late fee charge. Mr. Williams noted that the residents stated that they never received the bill. After brief discussion, Director Tober made a motion to approve the \$10.79 adjustment. Director Crane seconded said motion, which carried unanimously.

Mr. Williams also stated that GUS is still working on the valve exercise program.

Director Crane then presented pictures of a sinking storm drain manhole. He noted that the sidewalk and driveway near the drain are in the process of being repaired by Barker's <sup>Ridge</sup> Crossing Home Owner's Association after Mr. Taylor confirmed that it is not on a District or Harris County property easement.

Pictures were also presented of the repair at 18707 Appletree Hill Lane. Discussion ensued regarding the repair and the contractor working on the repair, and Mr. Williams noted that the repair should be complete by the end of the week. Additional discussion ensued regarding monthly drive-through inspections in the District.

Director Crane then presented photos of a sinking sidewalk near a fire hydrant on Morton Road at Deeds Road. Mr. Williams noted that he would obtain bids for the repair to present at the October meeting.

## DIRECTORS REPORTS

Director Tober reported on the West Harris County Regional Water Authority ("WHCRWA") meeting held on September 12, 2018, and advised that there will be a Partners in Progress forum hosted by the WHCRWA on October 25, 2018. He next noted that the Board approved an increase in the water rate for 2019 and the new water rate will be \$3.35. He then noted that the 2019 WHCRWA budget was approved for \$355,000,000.

## ATTORNEY'S REPORT

Ms. Sreedharan presented the new client Dropbox file structure for the District, per Director Crane's request, and reviewed the folder structure and certain related documents. Mr. Roach then noted that there was nothing else of legal nature to discuss at this time.

## 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

There was no discussion.

## ADJOURNMENT

There being no further matters to come before the Board, Director Nelson adjourned the meeting.

Approved this day 23 of October, 2018.

[SEAL]



Secretary,  
Board of Directors

**LIST OF EXHIBITS**

- Exhibit A - Order Levying Taxes
- 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