

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Meeting of Board of Directors October 23, 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 Putri Tesalonika of Municipal Accounts & Consulting, L.P. ("MA&C"); Jeff Vogler 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 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 September 25, 2018 regular meeting. Director Crane discussed his requested revisions to the minutes, and Mr. Roach noted that the minutes were revised per the comments. Upon motion by Director Nelson, seconded by Director Crane, the Board voted unanimously to approve the minutes of the September 25, 2018 regular meeting, as presented with the subject revisions.

#### PUBLIC COMMENTS

There were no public comments.

#### TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce presented the Tax Assessor/Collector Report, a copy of which is attached as Exhibit A. He noted that the District is 99.54% collected for the 2017 taxes. After no questions, and a motion by Director Julun, seconded by Director Tober, 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 B. Discussion ensued regarding the personal property accounts and Mr. Acre noted that they do not have the ability to foreclose on personal property accounts. Mr. Acre then requested approval to move 14 accounts to the uncollectible roll. Upon motion by Director Nelson, seconded by Director Crane, the Board voted unanimously to authorize the transfer of 14 accounts to the uncollectible roll.

Director Tober then presented and discussed an Addicks Reservoir presentation. Mr. Vogler noted that Harris County Flood Control District is currently presenting numerous projects for public review and comment, in part as follow-up to Hurricane Harvey.

## BOOKKEEPER'S REPORT

Ms. Tesalonika presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit C. She noted that a debt service payment was made at the end of September which included both the principal and interest on the Series 2014 Refunding Bonds. She then reviewed the annual Energy Reporting Compliance Report, noting that the report included information between September 2017 through August 2018. Upon motion by Director Tober, seconded by Director Nelson, the Board voted unanimously to approve: (1) the Bookkeeper's Report; (2) the checks presented in the report; and (3) the Energy Reporting Compliance Report.

## ENERGY REPORTING COMPLIANCE REPORT

This item was discussed and approved in the Bookkeeper's Report. Mr. Roach also reviewed the compliance guidelines for the Energy Reporting Compliance Report and stated that the District is now in compliance.

## ENGINEER'S REPORT

Mr. Vogler presented the Engineer's Report, a copy of which is attached hereto as Exhibit D. He noted that seven (7) bids were received for the Morton Road water line extension project. Mr. Vogler stated that the lowest bidder should not be considered due to lack of proper qualifications and unit price discrepancies. He recommended that the Board award the bid to Scohil Construction Services, LLC with a bid of \$224,342.90 and a contract time of 90 days, contingent on VVI's final verification of the bid proposal and RMPLLC's review of the payment and performance bonds and insurance verification. Upon motion by Director Tober, seconded by Director Crane, the Board voted unanimously to award the bid to Scohil Construction Services, LLC as outlined above.

Mr. Vogler 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 Texas Commission on Environmental Quality ("TCEQ"). He noted that there has been no response from the TCEQ to date.

## 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 the four (4) sinkholes at the Barkers Crossing detention pond/trail have been repaired. He also noted the Champions is only mowing the side slopes and the bottom of the detention pond, as stated in the District's new agreement with Barkers Crossing Homeowners Association. Mr. Fort then presented a picture of graffiti on a drainage pipe and inquired if the Board would like Champions to remove the graffiti with a power wash, to which the Board concurred.

## OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations and Maintenance Report to the Board, a copy of which is attached as Exhibit F. He reviewed the District alerts within the past month, reporting on the leaks, sinkholes, and the low groundwater storage tank level at water plant no. 2. Discussion also ensued regarding the aeration basin levels at the wastewater treatment plant.

Mr. Williams next discussed certain upcoming repairs and expenses. He noted that fine screen no. 1 needs to be replaced at a cost of \$10,295. He also stated that three (3) sections of sidewalk at Deeds Road and Morton Road need to be repaired, the fire hydrant and valve stack in that area will need to be raised to proper elevation, and the area around the sidewalk will need to be filled for a total cost of \$4,886. Mr. Williams next discussed another sidewalk repair at Cherrytree Grove due to a leak. He noted that he is continuing to request bids, but that the low bid thus far is for \$3,925. Upon motion by Director Julun, seconded by Director Love, the Board voted unanimously to approve: (1) the repair of fine scree no. 1 at a cost of \$10,295; (2) the repair of the sidewalk and fire hydrant at Deeds Road and Morton Road at a cost of \$4,886; and (3) the repair of the sidewalk and surrounding area at Cherrytree Grove to the lowest bidder, not to exceed \$3,925.

Mr. Williams next discussed the sludge press, noting that he is requesting approval for the installation of an electrical hookup at a cost of \$3,450. Discussion ensued regarding sludge pressing versus sludge hauling, and Mr. Williams noted that the District will save money by pressing the sludge instead of hauling it. He noted that the sludge press is through K3BMI, one of the sludge management companies with which the District already has an agreement, and the energy consumption will be approximately \$200 for each press. Upon motion by Director Nelson, seconded by Director Love, the Board voted unanimously to approve the \$3,450 for the installation of the electrical hook up for the sludge press through K3BMI.

Mr. Williams next presented a request from the residents at 18510 Fawn Run Lane for an adjustment to their bill of \$7.50 for the door tag fee. He noted that the resident paid their bill late as she did not receive her bill, and the door tag was hung after she paid the bill. After discussion and review of the residents' payment history, Director Nelson made a motion to refund \$17.98 for the late fee and the door tag fee to the resident. Director Tober seconded said motion, which carried unanimously.

Mr. Williams then reported on the valve exercise program, noting that 107 valves have been exercised and that there were only minor issues thus far. He noted that the remaining valves should be exercised by the November meeting and that he will present the proposed repair list at that time.

Director Crane inquired about the protocol for communications with the residents during construction and related District maintenance/repair projects. Mr. Williams noted that there are procedures in place to notify residents of construction, water shut offs, etc., but that the residents do not always view the alerts. Director Crane then presented a survey conducted by Barkers Ridge Homeowners Association. He noted that 236 residents participated in the survey and he reviewed the results of the survey that were District specific.

## DIRECTORS REPORTS

Director Julun reported on a recent Parks Community meeting that he attended, noting that the purpose of the meeting was to review the stages of park development, from design to maintenance. He discussed the highlights of the meeting with the Board.

Director Tober reported on the West Harris County Regional Water Authority (“WHCRWA”) meeting held on October 10, 2018, and advised that there will be a Partners in Progress forum hosted by the WHCRWA on October 25, 2018. He also noted that the WHCRWA’s insurance renewal proposal was approved, which included the Texas Conservation Association Risk Management Fund proposal. He then noted that the WHCRWA’s total surface water conversion percentage as of August 2018 was 33.80%.

The Board next discussed communications with the various homeowners associations (“HOAs”) residents. Discussion ensued regarding the possibility of a joint meeting with the HOAs and the option to include District information in their individual respective newsletters.

Mr. Roach next discussed the mid-winter AWBD Conference in Austin and noted that they are currently accepting late registrations. He also reminded the Board that the AWBD Fall Seminar is scheduled for October 30, 2018 and that today is the last day for registration. Mr. Roach then discussed the November 2018 regular meeting schedule and the January 2019 Board meeting dates, noting that the Board will meet in November and then in early January at the RMPLLC main office unless the Board wished to meet elsewhere. The Board tentatively scheduled the meeting for January 4, 2019.

## REVIEW LIST OF QUALIFIED BROKERS

Mr. Roach presented the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transaction with the District (“Qualified Brokers List”), a copy of which is attached as Exhibit G. He noted that the Board is required to review the Qualified Brokers List annually. After no questions, Director Crane made a motion to adopt the Qualified Brokers List. Director Julun seconded said motion, which carried unanimously.

## REVIEW CODE OF ETHICS

Mr. Roach presented the Order Establishing Code of Ethics, Policies and Procedures for District Financial Affairs and Management (“Code of Ethics”), a copy of which is attached as Exhibit H. He noted that the Board is required to review the Code of Ethics annually. Mr. Roach noted that

the Code of Ethics has been updated as the last revision was over five years ago, and he reviewed same in detail. After no questions, Director Nelson made a motion to approve the Code of Ethics. Director Love seconded said motion, which carried unanimously.

#### **ATTORNEY'S REPORT**

Mr. Roach noted that the client Dropbox has been updated and is now live. He also noted that an amendment to the Rate Order will be on the November agenda due to the upcoming increase in the WHCRWA fees.

#### **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.

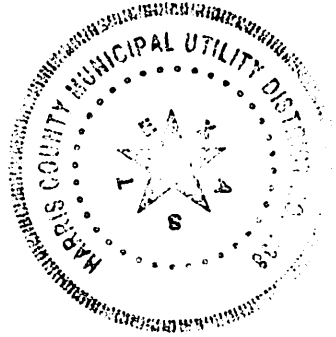
#### **ADJOURNMENT**

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

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Approved this day 28 of November, 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
- Exhibit G - Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transaction with the District
- Exhibit H - Order Establishing Code of Ethics, Policies and Procedures for District Financial Affairs and Management