

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Special Meeting of Board of Directors  
January 4, 2019

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District"), met in special session at 2800 Post Oak Blvd, Houston, TX 77056, 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 Ronald Julun, 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, Frank Mitchell, Ashleigh Mussleman, and Megan Barcak of Roach & Mitchell, PLLC ("RMPLLC"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler").

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

**REVIEW OF 2018 AND 2019 DISTRICT ACTION ITEMS, AND DISCUSS ANNUAL MEETINGS MATTERS**

Mr. Roach reviewed several District related events from the previous year and noted that several of the District's bonds will be paid soon. Director Crane asked for an update on the District's Capital Improvement Plan ("CIP"). After further discussion, the Board concurred that Director Crane will update the District's annual newsletter.

**APPROVE MINUTES**

Mr. Roach presented the minutes of the November 27, 2018 regular meeting. Upon motion by Director Crane, seconded by Director Tober, the Board voted unanimously to approve the minutes of the November 27, 2018 regular meeting, as presented.

**PUBLIC COMMENTS**

There were no public comments.

## TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce presented the December 2018 and January 2019 Tax Assessor/Collector Reports, copies of which are attached as Exhibit A. After no questions, and a motion by Director Nelson, seconded by Director Crane, the Board voted unanimously to approve the Tax Assessor/Collector Reports 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 judgment accounts. Mr. Arce then requested approval to move the judgment accounts to the uncollectible roll. Upon motion by Director Crane, seconded by Director Tober, the Board voted unanimously to accept the Delinquent Tax Attorney Report and authorize the transfer of the judgment accounts to the uncollectible roll.

## BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit C. She noted that the IRS Form W-2s were mailed out and that the annual permit fees to the Texas Commission on Environmental Quality ("TCEQ") were due. Upon motion by Director Nelson, seconded by Director Crane, the Board voted unanimously to approve the Bookkeeper's Report, including payments of the checks presented.

## ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as Exhibit D. He noted that there was no update from the TCEQ regarding the ion exchange matter. Mr. Reed stated that the Morton Road Water Main Extension permits were received from Harris County and were presented to Director Love for signature. Mr. Reed also presented pay application number 1 and final for Wright Solutions LLC ("Wright Solutions") in the amount of \$74,200 for the emergency repair to effluent outfall at the Wastewater Treatment Plant ("WWTP"). He then discussed the GO Weiss Landfill permit and siltation issues and advised that he attempted to contact Mr. Weiss but there was no response. Mr. Reed requested permission to clean out the ground storage tank ("GST") at Water Plant No. 2 ("WP2") to aid with the ion issue temporarily. Upon motion by Director Crane, seconded by Director Nelson, the Board voted unanimously to: (1) approve the Engineer's Report; (2) approve pay estimate number 1 for Wright Solutions in the amount of \$74,000; (3) authorize VVI to coordinate the clean out of the GST at WP2; and (4) authorize Director Love to sign the Morton Road Water Main Extension permits from Harris County.

## STATUS OF MAINTENANCE BY CHAMPIONS

No representative was present but a written copy of the Champions Report was provided to the Board, a copy of which is attached as Exhibit E.

## **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**. Director Nelson inquired about the effectiveness of the door hangers for delinquent utility accounts. Mr. Williams' replied that more time would be needed to evaluate their effectiveness.

Mr. Williams next presented a map of several valves that are hidden and need excavation. He estimated \$1,000-\$1,500 per valve to find the hidden valves. After discussion and upon motion by Director Crane, seconded by Director Nelson, the Board voted unanimously to approve the excavation and repair of the valves not to exceed \$30,000, in addition to the amount the Board approved at its last meeting.

Mr. Williams next presented an appeal letter from the resident at 19027 Grove Valley Trail. Discussion ensued about the liability of the District and the Board concurred that the resident illegally tampered with the District lines. The Board concurred that the District will not refund any costs to the resident due to illegal tampering. Upon motion by Director Love, seconded by Director Crane, the Board voted unanimously to approve the Operations and Maintenance Report and the cut-off List.

## **DIRECTORS REPORTS**

Director Crane discussed the erosion near the effluent outfall and presented some photos. Director Tober reported on the recent West Harris County Regional Water Authority ("WHCRWA") meeting and provided a brief update on the WHCRWA's ongoing projects and fees. Mr. Roach noted that the amended Rate Order with the WHCRWA fee increase incorporated was sent to the District's operator.

## **STATUS OF ANNUAL DISCLOSURE REPORTS**

Mr. Roach noted that the final annual audit report is due to be filed next week and that once the audit is completed the District's financial advisor will prepare and file the annual continuing disclosure report.

## **ARBITRAGE COMPLIANCE REPORT**

Mr. Roach noted that there were no updates regarding arbitrage reporting at this time.

## **ATTORNEY'S REPORT**

Mr. Roach then reviewed the updated 2019 Master Calendar with the Board. He noted that there was nothing else of a legal nature to discuss which had not been previously addressed under other agenda items.

**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 22 of January, 2019.

[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 - Operations and Maintenance Report