

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors January 22, 2019

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
Ron 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, Chuck Peterson, and Jeanette Montes of Gulf Utility Service, Inc. ("GUS"); Jonathan Roach and Josh Zientek of Roach & Mitchell, PLLC ("RMPLLC"); Les Griffith and Josh Fort of Champions Hydro-Lawn ("Champions"); Christopher Soriano, resident; and Marcia Thomas, a representative from Barkers Ridge Homeowners Association ("BRHOA").

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 from the January 4, 2019 special meeting. Director Love moved to approve the January 4, 2019 special meeting minutes. Director Nelson seconded said motion, which carried unanimously.

PUBLIC COMMENTS

Mr. Soriano reported that while trying to fix a drainage problem at his residence he discovered what he believes is a condition on the District's section of the sanitary sewer line. Mr. Soriano stated that he paid for the initial plumbing work that resulted from the discovery of the issue. He confirmed that the plumber that he hired only worked the resident's side of line. Mr. Soriano then requested that the District work with him to finalize the repairs and reimburse a portion of the costs for same.

Ms. Thomas discussed ongoing matters related to BRHOA.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Roach noted that the report for January had been presented at the January 4, 2019 special meeting. There were no further updates given at this time.

DELINQUENT TAX ATTORNEY REPORT

Mr. Roach noted that a delinquent tax attorney report update would occur at the next regular meeting.

RESOLUTION GRANTING EXEMPTIONS FROM TAXATION FOR 2019

Mr. Roach explained the exemptions from taxation the District could adopt pursuant to the Texas Tax Code and presented the Resolution Granting Exemptions from Taxation for 2019 ("Resolution"), a copy of which is attached as Exhibit A. After discussion, Director Crane made a motion to keep the homestead exemption at 10% and to keep the 65 years of age and older and federal disability tax exemption at \$3,000 for tax year 2019 and to adopt the corresponding Resolution. Director Love seconded said motion, which carried unanimously.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Roach next advised the Board it is authorized pursuant to the Texas Property Tax Code to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that become delinquent as of February 1 of a year and that remain delinquent sixty (60) days after said date, in order to defray the costs of collection of said delinquent taxes. The Board then considered the adoption of a Resolution authorizing such additional penalty, a copy of which is attached as Exhibit B. Upon motion by Director Nelson, seconded by Director Love, the Board voted unanimously to adopt the Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes.

BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit C. She reviewed certain AWBD conference related expenses and issues. She reported that there are no amendments to the budget presently. After brief discussion, Director Nelson made a motion to approve the Bookkeeper's Report, including payments of the checks presented. Director Love seconded said motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as Exhibit D. He noted that the radium issue review is still in queue with the Texas Commission on Environmental

Quality (“TCEQ”) and he has not received a response yet. Director Crane generally discussed the water flow in the District and reported that certain areas seem to be ponding. Mr. Reed stated that the area has been surveyed and the stormwater runoff should be flowing properly. Mr. Reed reported that he sent the most recent landfill report and TCEQ update regarding the GO Weiss siltation issue, and the plans and designs will be sent when they are complete.

STATUS OF MAINTENANCE BY CHAMPIONS HYDRO

Mr. Fort presented the Maintenance Report to the Board, a copy of which is attached as **Exhibit E**. Director Crane discussed the steel edging put around the Barkers Crossing trail and the concern of mowing equipment and machinery being driven over the edging causing damage. Director Crane stated that Barkers Crossing Homeowners Association (“BCHOA”) will need to be notified to make an accommodation. Mr. Fort stated that Champions will contact BCHOA regarding this issue. Director Love asked that the Board recognize BCHOA for their efforts in maintaining the aesthetics of the trail.

OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations and Maintenance Report to the Board, a copy which is attached as **Exhibit F**. Mr. Williams also reviewed two district alerts: (1) a tap line leak, which was repaired; and (2) a caller reporting that sewage appeared to be leaking from the Wastewater Treatment Plant (WWTP). He reported that the fire department and county pollution control agency were called but, after investigation, Mr. Williams noted that the call was not an issue as no leak was found.

Mr. Williams next discussed the current projects and reviewed the replacement of a 12-inch valve and bracing concrete. The total cost for the replacement was \$8,250. The Board reviewed the photograph of a tree at 18843 Apple Tree Hill Ln. that will need to be removed so the valve stack can be reset. Mr. Williams stated that the tree was planted in a utility easement, and the cost estimate for this project is \$3,500. The Board discussed 18511 Purdy Court and reviewed pictures of the valve stacks that were buried. Mr. Williams explained to the Board how the buried stacks were located. Mr. Williams reported that the repair at 18511 Purdy Court was made. The Board discussed the valve stack repairs and future cleaning, and Mr. Williams stated that normally the valve stacks can be repaired and cleaned without difficulty but if too much time has passed then becomes more difficult. After further discussion, Director Nelson made a motion to approve the tree removal/sidewalk repair/stack reset on Apple Tree Hill Ln. and the 12-inch valve and bracing concrete work. Director Love seconded said motion, which passed unanimously.

The Board reviewed customers appeals presented by Mr. Williams. Director Nelson moved to approve the appeal for 2826 Youpon Lake Ct. Director Love seconded said motion, which passed unanimously. The Board then discussed an appeal which arrived just before the meeting. After discussion, Director Love moved to waive the associated fee with the appeal as presented by Mr. Williams. Director Nelson seconded said motion, which passed unanimously.

Mr. Williams and the Board then discussed Mr. Soriano's concern noted during public comment earlier in the meeting. Mr. Williams confirmed that the repair was made on the sanitary sewer line which Mr. Soriano's plumber found where tree roots were encroaching on the District's line. Mr. Williams stated that if the plumber did not make the necessary repairs, then the District would have had to make those repairs. Mr. Soriano clarified that the repair was made by a certified plumber and in the presence of a GUS employee who authorized the repair onsite. Mr. Williams further explained the blockage and camera work in the line. After further discussion, Director Crane made a motion to approve a \$750 reimbursement to Mr. Soriano. Director Love seconded said motion, which passed unanimously. Mr. Roach acknowledged that the Magna Flow televising report was being hand delivered to Mr. Soriano at the meeting in response to his public information request. The Board then concurred that Ms. Colondres can immediately write a check for the reimbursement as long as Mr. Soriano provides an invoice as supporting documentation.

Mr. Williams discussed the write-offs for this year and requested approval to write-off the delinquent accounts presented. Director Tober asked for clarification about how the meters are reset upon service termination and accounts being written off. After brief additional discussion, Director Nelson made a motion to approve the write-off list. Director Tober seconded said motion, which passed unanimously.

Mr. Williams reviewed valves needing replacement and discussed placing door hangers to notify the applicable residents. Director Nelson stated that the homeowner where the tree removal is needed should be approached to discuss finding a cheaper option for the removal. Mr. Williams asked the Board if they wanted to offer to plant a new tree and the Board declined. Director Nelson inquired as to the valve replacement program, and Mr. Williams reminded the Board of its previous authorization limits for the valve replacement program. He advised that GUS is taking care of the more minor issues pursuant to the Board's prior authorization, but larger issues are being brought before the Board on a case-by-case basis. Mr. Williams said he will provide a list for each month the stacks and valves are to be repaired.

DIRECTOR REPORTS

Director Tober provided an update regarding the West Harris County Regional Water Authority ("WHCRWA"), specifically addressing ongoing projects of the WHCRWA. He also noted the necessary easement work and associated costs for same. Mr. Roach provided an update on the AWBD conference and inquired about the status of the District's annual newsletter, to which Director Crane responded.

DISCUSSION REGARDING DISTRICT WEBSITE UPDATES

Director Crane discussed the District's website and provided suggestions on revisions. After further review of the suggested revisions, Director Julun moved to authorize Director Crane to be the liaison for the District's webhost, provide instructions on the discussed revisions, and authorize any further necessary revisions. Director Love seconded said motion, which passed unanimously.

REVIEW ANNUAL CONTINUING DISCLOSURE REPORT

Mr. Roach noted that the annual audit report had been filed with the TCEQ and that the District's financial advisor will now complete and file the annual continuing disclosure report.

FILING OF HB 1378/LOC. GOV'T CODE 140.008 CLIENT DEBT REPORT

Mr. Roach explained the client debt report now required by Texas Government Code, Section 140.008, and he advised that the report is being compiled for future filing as required.

STATUS OF ARBITRAGE COMPLIANCE REPORTING REQUIREMENTS

Mr. Roach explained that RMPLLC has not received any recent arbitration compliance reports or proposals for the same at this time.

ATTORNEY'S REPORT

Mr. Roach noted that there was nothing else of a legal nature to report.

ADDITIONAL COMMENTS FROM THE PUBLIC

Ms. Thomas stated that she is grateful that the Board is willing to consider, and grant when appropriate, certain customer appeals. Mr. Soriano requested whether the hole in his yard where the sanitary sewer line was performed can be filled at this time, and Mr. Williams advised the repair is finished so the hole can be filled.

EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.071, 551.074, ET. SEQ.

The Board did not enter executive session.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

Discussion continued regarding the valve stacks. Mr. Williams stated that there are no emergencies and about 15 more valves to be located. Mr. Williams agreed to continue replacing the applicable necessary valves for the next month and stated that he would need about \$20,000 for the 4 valves identified as in most need of repair. Director Tober then made a motion to approve \$20,000 for replacing 4 valves this month. Director Julun seconded said motion, which passed unanimously.

Mr. Williams stated that he is planning on placing an insert in the water bills this month explaining the different methods customer may make payments. Director Crane suggested a bill insert explaining how people can look up their accounts online may also be useful. Director Nelson made a motion to authorize a bill insert accordingly. Director Julun seconded said motion, which passed

unanimously.

ADJOURNMENT

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

[SEAL]





Secretary,
Board of Director

LIST OF EXHIBITS

- Exhibit A Resolution Granting Exemptions from Taxation for 2019
- Exhibit B Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes
- Exhibit C Bookkeeper's Report
- Exhibit D Engineer's Report
- Exhibit E Champions Report
- Exhibit F Operations and Maintenance Report