

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Meeting of Board of Directors February 28, 2023

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District") met in regular session, open to the public, in accordance with the duly posted notice of meeting and the Texas Open Meetings Act. The roll of the duly constituted officers and members of said Board was called 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 Creston Minter, Jeanette Arce, and Brenda Landin of H2O Innovation ("H2O"); Lynnette Tujague of District Data Services ("DDS"); Taylor Reed of Vogler & Spencer Engineering ("VSE"); Jonathan Roach, Ray Arce, and Chelby Simpson of Roach & Associates, PLLC ("RAPLLC"); Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); and Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); [\*Remote attendees - none]

#### **PUBLIC COMMENTS**

There were no public comments.

#### **TAX ASSESSOR/COLLECTOR REPORT**

Ms. Mata presented the Tax Assessor/Collector Report; a copy is attached hereto as **Exhibit "A."** After no further discussion, Director Nelson motioned to approve the Tax Assessor's Report, including payment of checks presented therein. Director Julun seconded the motion, which passed unanimously.

#### **DELINQUENT TAX ATTORNEY REPORT**

Mr. Roach briefly reviewed the Delinquent Tax Attorney Report, noting there was no action required by the Board at this time.

#### **BOOKKEEPER'S REPORT**

Ms. Tujague presented the Bookkeeper's Report, including payment of invoices contained therein; a copy is attached hereto as **Exhibit "B."** Mr. Minter briefly discussed an invoice received from GoDaddy.com which was sent to OffCinco for review and was deemed a erroneous invoice. Director Nelson then inquired about an approximately \$1 million surplus in the District's debt service fund, to which Mr. Roach responded that he would discuss potential options with the

District's financial advisor and engineer. After discussion, Director Nelson made a motion, seconded by Director Julun, to approve the Bookkeeper's Report, including payment of invoices contained therein. The motion passed unanimously.

### **DEVELOPMENT REPORT**

Mr. Reed advised there was nothing new to report at this time.

### **ENGINEER'S REPORT**

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as **Exhibit "C,"** and provided updates on the Radium Treatment – Ion Exchange Water Plant No. 1 & No. 2 project. There was no action required by the Board.

### **STATUS OF MAINTENANCE BY CHAMPIONS HYDRO-LAWN, INC.**

Mr. Gray presented and reviewed the Champions Report, noting updates on the various detention ponds and channels. He noted no action was required by the Board.

### **ANNUAL SURVEY OF WAGE RATE SCALES**

Mr. Roach stated that the Board is required to annually adopt wage rate scales and noted that the District currently utilizes the same wage rate scales for construction projects as the City of Houston ("COH"). After a brief discussion and a motion by Director Tober, seconded by Director Julun, the Board voted unanimously to continue using the same wage rate scales as the COH and to adopt a Resolution accordingly.

### **OPERATIONS AND MAINTENANCE REPORT**

Mr. Minter presented the Operations and Maintenance Report, a copy of which is attached hereto as **Exhibit "D,"** noting there were seven (7) District Alerts for January 2023, all of which were resolved. Next, Mr. Minter and the Board discussed H2O's January invoice and lighting options at the wastewater treatment facility after receiving complaints from a neighboring resident.

Then, Mrs. Arce discussed two (2) appeals for January 2023, including: (1) a resident's request to remove the \$25 nonsufficient fund fee ("NSF") after accidentally choosing the incorrect account number; and (2) a resident's request to remove the \$25 NSF fee after making a payment on the incorrect account. After some discussion, the Board unanimously approved the first appeal, and the second appeal passed three-to-two (3-2) with Directors Love and Crane opposed.

After no further discussion, Director Crane motioned to approve the Operations and Maintenance Report and authorize the Operator to provide required information to District(s) receiving water through Emergency Interconnects relative to the annual Consumer Confidence (water quality) Report. The motion was seconded by Director Julun and passed unanimously.

### **DROUGHT CONTINGENCY PLAN AND WATER CONSERVATION PLAN**

Mr. Roach stated that he would like to schedule a meeting with Messrs. Reed and Minter to review the Drought Contingency Plan (“DCP”) before presenting it to the Board for approval, noting the last update was in 2005. The Board concurred.

#### **INSURANCE RENEWAL(S)/PROPOSAL(S)**

Mr. Roach reviewed the insurance renewal proposal from Arthur J. Gallagher Risk Management Services (“AJG”), noting the overall annual policy premiums for the 2023-2024 term increased by \$3,777 due to District property values increasing by over \$2 million. After discussion, Director Tober made a motion, seconded by Director Julun, to approve the AJG insurance renewal proposal for 2023-2024. The motion passed unanimously.

#### **EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICT/WATER SYSTEMS**

Mr. Roach noted that RAPLLC has not received any recent correspondence from neighboring districts on the matter, stating he may just send the new proposed agreements and request that matter be placed on the districts’ future agendas.

#### **DIRECTOR’S REPORTS**

Director Tober presented an update on the recent WHCRWA meeting, including project updates undertaken by WHCRWA.

Then, Director Julun briefly reviewed updates from the recent Association of Water Board Directors (“AWBD”) Mid-Winter Conference in January 2023.

#### **SPECIAL PURPOSE DISTRICT REPORT/AUDIT TO COMPTROLLER**

After Mr. Roach explained the District’s legal requirements to file the Special Purpose District Public Information Database (“SPDPID”) Report with the State Comptroller, Director Crane made a motion to authorize the appropriate filing. Director Tober seconded said motion, which carried unanimously.

#### **TECHNOLOGY AND WEBSITE UPDATES**

Mr. Roach advised there was nothing new to report at this time.

#### **OPTIONS FOR GARBAGE COLLECTION SERVICES AND RELATED HOMEOWNERS ASSOCIATION (“HOA”) COMMUNICATIONS**

Mr. Roach and Director Crane briefly discussed garbage collection services and related HOA communications, whereafter Director Crane advised the matter could be removed from the agenda at this time.

#### **ATTORNEY’S REPORT**

Mr. Roach reviewed the Municipal Risk Management Group (“MRMG”) annual arbitrage maintenance report, noting that according to the report the District’s Series 2020 Bonds may need some additional review for arbitrage compliance purposes, indicating a yield restriction may be required if the construction project funds (“CPF”) are not spent below the minor portion of \$100,000 prior to the end of the temporary period (October 27, 2023). He advised that the report also notes that as of January 6, 2023, the District has \$772,632.82 remaining in the CPF from this bond issue. Mr. Roach noted that he would discuss the matter further with the District’s financial advisor and engineer.

Mr. Roach then reviewed various 2023 Texas Legislative Session updates, including those reviewed at the AWBD Conference and certain proposed bills drafted by RAPLLC, including a proposed increase in Director per diems and a mechanism for possible removal of a Director for misconduct or incompetency grounds.

#### **ADDITIONAL PUBLIC COMMENTS**

There were no comments from the public.

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

The Board did not enter into executive session.

#### **ADDITIONAL PENDING BUSINESS AND SCHEDULE FOR UPCOMING BOARD MEETINGS**

The Board concurred to hold its next (regular) meeting on March 28, 2023, at 1:00 p.m. After no further discussion to come before the Board, Director Crane motioned to adjourn the meeting. The motion was seconded by Director Love and passed unanimously.

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Approved this 28<sup>th</sup> day of March 2023.

[SEAL]



/s/ Steve Crane  
Secretary, Board of Directors

#### **LIST OF EXHIBITS**

- Exhibit A – Tax Assessor’s Report
- Exhibit B – Bookkeeper’s Report
- Exhibit C – Engineer’s Report
- Exhibit D – Operations and Maintenance Report