# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

## Minutes of Meeting of Board of Directors
## August 22, 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:

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| 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 Director Love, thus constituting a quorum.

Also present were Creston Minter 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"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); and Marcia Thomas and Gerald Garcia, residents of the District. [*Remote attendees - None]

### PUBLIC COMMENTS

Ms. Thomas noted that after receiving help at the last Board meeting, she can now access her EyeOnWater account.

### MINUTES OF PRIOR BOARD MEETINGS

The Board considered for approval the regular meeting minutes of July 25, 2023. After some discussion, Director Crane motioned, seconded by Director Julun, to approve the July 25, 2023, regular meeting minutes. The motion passed unanimously.

### PROJECT/PLACES 4 PEOPLE PROGRAM

Mr. Roach advised that updates are still underway, and he will contact Ms. McGlaughlin for further information.

### TAX ASSESSOR/COLLECTOR REPORT

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

## DELINQUENT TAX ATTORNEY REPORT

Ms. Mata briefly reviewed the Delinquent Tax Attorney report, advising of a few water termination notices which required no action. The Board inquired about the enforcement and termination of service for delinquent or unpaid taxes. Mr. Roach cited applicable law and a policy the Board adopted that allows the District to terminate water service if taxes are delinquent six (6) months or more. He then noted that termination under these circumstances requires additional steps and advised that the Delinquent Tax Attorney would come before the Board before actual termination took place.

## RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS

Mr. Roach discussed with the Board the tax rate adoption procedures for special districts under the Texas Tax Code and Water Code. He noted that procedures applicable to a particular district will depend, in part, upon whether it is to be determined to be a "developed" or "developing" district under new Senate Bill 2 requirements, noting the impact on the District tax rates and potential election requirements. After review and discussion, Director Tober motioned to recognize the District as a "developing" district and adopt a corresponding Resolution. Director Julun seconded the motion, which carried unanimously.

## ARBITRAGE COMPLIANCE MATTERS

Mr. Roach advised that he had communicated with Mr. Thatcher regarding arbitrage compliance matters but there's no update at this time. Director Nelson then asked Mr. Roach if he had heard from Acclaim Energy or the Texas Reliability Coalition, whereby Mr. Roach stated he had received no correspondence.

## BOOKKEEPER'S REPORT

Ms. Tujague presented the Bookkeeper's Report, including payment of invoices contained therein; a copy is attached hereto as **Exhibit "B."** Director Tober then motioned to approve the Bookkeeper's Report, including payment of invoices. The motion was seconded by Director Julun and passed unanimously.

## DEVELOPMENT REPORT

Mr. Reed noted that the Utility Development Agreement ("UDA") for Canterbury is still being circulated for comments. He discussed the City of Houston's ("COH") requirements for a water meter easement for the Canterbury development, further stating the UDA needs to be finalized.

## ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as **Exhibit "C,"** and provided updates on: (1) Radium Treatment – Ion Exchange Water Plant No. 1 & No. 2, noting delivery of equipment is pending and VSE is reviewing control setting and operations set points; (2) Wastewater Treatment Facility ("WWTF") Fence Replacement, whereby Mr. Reed reviewed a bid of $129,697.20 from Houston Fence Company. He suggested awarding the bid in September when new legislation regarding bidding requirements is enacted. After some discussion, Directors Julun, Nelson, and Crane favored the Trex fencing in the 'Saddle' color, with Director Tober in favor of the color 'Woodland Brown.'

Then, Mr. Minter advised that the District is fully prepared for hurricane season. The Board had a lengthy discussion regarding generators, whereby Director Nelson expressed the desire to have an extra portable generator as backup if needed.

Next, Mr. Reed discussed the granting of a 60-foot Storm Sewer Easement from Canterbury to the District, advising the documents have been prepared and are ready for execution pending acceptance by the Board. Director Tober motioned, seconded by Director Julun, to accept the Canterbury Storm Sewer Easement. The motion carried unanimously.

**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 discussed overgrown trees around the walking trail which he believes Barkers Crossing Homeowners Association ("BCHOA") is responsible for maintaining. After reviewing the maintenance agreement termination notice BCHOA previously provided to the District, Mr. Roach confirmed their obligation to maintain the trees and walking trail and suggested providing BCHOA a demand letter to trim the trees. Director Tober motioned to authorize RAPLLC to draft and provide the letter to BCHOA. The motion was seconded by Director Julun and passed unanimously.

Then, Mr. Gray reviewed proposals for the desilting of ponds, including the Barkers Crossing Pond for $12,150, Lake Ridge Pond for $18,650, and Oak Ridge Place Pond for $52,962.50, bringing the total for the three ponds to $83,762.50. After some discussion, the Board voted three-to-one (3-1) to approve the pond desilting proposals and approve a self-authorizing Resolution for surplus construction funds. The motion was made by Director Tober, seconded by Director Julun, and passed with Director Nelson opposed.

**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 four (4) District Alerts for July 2023, all of which were completed. He advised that the transition to the new billing software, Starnik, has occurred and notifications will be sent in the next mail-out bill. The Board requested that customers not be penalized or charged for door tags during the transition period.After no further discussion, Director Julun motioned, seconded by Director Tober, to approve the Operations and Maintenance Report, including the delinquent/cutoff list. The motion passed unanimously.

Then, Mr. Roach mentioned that the West Harris County Regional Water Authority ("WHCRWA") implemented Stage One of their Drought Contingency Plan ("DCP"). Mr. Minter advised that signs have been posted throughout the neighborhoods notifying the residents of the District implementing Stage One of its DCP.

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

Mr. Roach noted he has received some initial comments regarding the Emergency Interconnect Agreements and the organization of a joint meeting, but a meeting date has not yet been determined.

**REVIEW DISTRICT POLICIES**

Mr. Roach advised that revisions will be incorporated into the District's policies following legislative bills becoming effective on September 1, 2023. Director Nelson then again inquired about the upcoming hurricane season, asking about protocol if the District loses power or loses water from the WHCRWA. Mr. Minter advised that the District's wells, with backup generator power, would be placed online in that circumstance. Director Nelson inquired about potential radium in the water from the wells, which Mr. Reed noted is not a concern since the levels are below what the Texas Commission on Environmental Quality ("TCEQ") allows for safe drinking water.

**DIRECTOR'S REPORTS**

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

**TECHNOLOGY AND WEBSITE UPDATES**

Mr. Roach advised that information would be uploaded to the District's website notifying residents of the transition to Starnik.

**ATTORNEY'S REPORT**

Mr. Roach reviewed new requirements for Notices to Purchasers ("NTPs"), effective September 1, 2023, whereby the District must upload the NTP to the District's website. After a brief discussion, Director Crane motioned, seconded by Director Tober, to authorize the posting of the NTP on the District's website. The motion passed unanimously.

**ADDITIONAL PUBLIC COMMENTS**

There were no comments from the public.

Ms. Mata, residents, and Messrs. Reed, Minter, and Gray exited the meeting.

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

The Board and Ms. Tujague entered into executive session at 2:32 p.m. for consultation with legal counsel.

**<u>RECONVENE IN OPEN SESSION AND AUTHORIZE ANY ACTION RESULTING FROM EXECUTIVE SESSION</u>**

The Board reconvened in open session at 2:35 p.m. There was no action taken from executive session.

**<u>ADDITIONAL PENDING BUSINESS AND SCHEDULE FOR UPCOMING BOARD MEETINGS</u>**

The Board then concurred to hold its next regular meeting on September 26, 2023, at 1:00 p.m. After no further discussion to come before the Board, Director Julun motioned to adjourn the meeting. The motion was seconded by Director Tober and passed unanimously.

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Approved this 26th day of September 2023.

/s/ Steve Crane
Secretary, Board of Directors

[SEAL]

**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