

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors June 27, 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 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]

PUBLIC COMMENTS

There were no public comments.

MINUTES OF PRIOR BOARD MEETINGS

The Board considered for approval the regular meeting minutes of May 23, 2023. After some discussion, Director Nelson made a motion, seconded by Director Tober, to approve the May 23, 2023 meeting minutes, as presented. The motion passed with four in favor and Director Crane abstaining (4-0-1).

POTENTIAL SIDEWALK PROJECT/PLACES 4 PEOPLE PROGRAM

Mr. Roach noted that Mrs. Judith McLaughlin received support for the Places 4 People Program from Harris County Emergency Services District No. 47, Westpark Municipal Utility District, and various other Districts and that she thanked the Board for their support. Mr. Roach advised that he would continue to correspond with her for future updates.

Then, Director Nelson reviewed a letter from an individual requesting several addresses and various other District resident/customer information. Mr. Roach advised that similar requests are received periodically and that generally there are potential confidentiality conflicts that prevent disclosure of such information but that he would review with the District's Operator.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Mata presented the Tax Assessor/Collector Report, a copy of which is attached as **Exhibit “A,”** and noted Harris County’s preliminary assessed valuation for the District increased by approximately thirteen percent (13%) to \$687,037,134. After no further discussion, Director Nelson motioned to approve the Tax Assessor’s Report, including payment of checks presented therein. Director Tober seconded the motion, which passed unanimously.

DELINQUENT TAX ATTORNEY REPORT

Mr. Roach briefly reviewed the Delinquent Tax Attorney Report, whereby the Board noted it required no action.

BOOKKEEPER’S REPORT

Ms. Tujague presented the Bookkeeper’s Report, including payment of invoices contained therein; a copy is attached hereto as **Exhibit “B.”** After no further discussion, Director Tober made a motion, seconded by Director Julun, to approve the Bookkeeper’s Report, including payment of invoices. The motion passed unanimously.

DEVELOPMENT REPORT

Mr. Reed noted that VSE is reviewing the new set of plans from Canterbury, and the developer is reviewing the development agreement.

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 VSE is awaiting delivery of equipment and further advising that the report has been sent to the Texas Commission on Environmental Quality (“TCEQ”); (2) WWTF Fence Replacement, whereby Mr. Reed reminded the Board of the proposal received from Houston Fence Company for the removal and replacement of the WWTF fence for \$51,305.72; he advised if the Board would like to move forward, VSE would need to obtain two additional proposals to meet TCEQ bidding requirements; (3) 3402 Barkers Forest Sinkhole, noting VSE is still awaiting a response from the Harris County Engineering Department (“HCED”); and (4) Detention Pond Washout, stating VSE is still awaiting a response from Harris County Flood Control District (“HCFCD”).

The Board then engaged in a discussion regarding the WWTF Fence Replacement and whether it included the fencing along the trail and Morton Road, to which Mr. Reed confirmed it did. Director Crane then noted it may be beneficial to include in the project the portion of the fence facing Water Plant No. 1 and all customer-facing areas, as well and to potentially partner with the Barkers Ridge Homeowners Association (“BRHOA”) for certain segments of fence replacement. He advised that he met with a BRHOA director last week and discussed BRHOA’s desire to install a significant amount of fencing and possible suggestion that the District and BRHOA negotiate a joint price for both options of the fence project. After some discussion, Director Crane motioned, seconded by Director Tober, to solicit bids for the fence project as discussed. The motion passed unanimously.

Next, Director Love inquired about a long-term solution to the detention pond washout, and Mr. Reed noted that a paved pilot channel is one option and he would explore other potential solutions.

After no further discussion, Director Julun motioned to approve the Engineer's Report. The motion was seconded by Director Crane and passed 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. No action was required to be taken by the Board. He then mentioned the vines growing around one of the District's Water Plants and the WWTF, stating herbicide treatment and foliage removal would cost \$600 per event which he suggested be administered twice a year. No action was taken at this time.

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 May 2023, all of which were completed. Director Nelson pointed out the optional Volunteer Fire Department ("VFD") fee of \$3.00 per month and inquired about possibly removing it. Mr. Minter advised that H2O could add a notation to the water bill advising customers that the fee is not mandatory.

Director Crane exited the meeting at this time.

After further discussion, Director Julun made a motion, seconded by Director Nelson, to approve the Operations and Maintenance Report, including the delinquent/cutoff list. The motion passed unanimously.

Then, Ms. Simpson discussed four (4) appeals for May 2023, including: (1) a resident's request for a credit on their April bill due to a leak; Mr. Minter advised the customer's bill was approximately \$20-30 higher than normal due to someone hitting their meter box and causing a leak; (2) a resident's request to average a high bill; (3) a resident's request for a payment plan on an outstanding balance of \$155 and to remove late fees, noting they can pay an extra \$50 per month; and (4) a resident's request to waive late fees of \$10.81 and remove a non-sufficient funds fee of \$25. After some discussion, Director Julun moved, seconded by Director Tober, to approve the first appeal. The motion passed three-to-one (3-1) with Director Nelson opposed. Director Julun moved, seconded by Director Tober, to deny the second and fourth appeals, and approve the third appeal. The motion passed unanimously.

Next, Mr. Minter reviewed certain Lead and Copper Rule Revisions ("LCRR"), noting the process H2O will undergo on the District's behalf to survey for lead and copper water lines within the District which will be the first step in a new U.S. Environmental Protection ("EPA") mandate impacting all public water system. Mr. Roach reviewed the responsibilities of the District and of homeowners within the District, noting the District has to submit the initial survey information to by October 2024.

Then, Director Nelson inquired about the transition to Starnik. Mr. Minter advised that the H2O staff is undergoing training, and a notice informing customers of the transition is expected to go out this week. The Board had a lengthy discussion regarding the transition process. Mr. Minter stated that notifications could be posted on the District's website, sent in the monthly bill, and/or sent in a text or email alert. Mr. Minter noted that there have been no issues with the transition to Starnik with other accounts, and there is a ninety (90) day customer account/delinquency grace period during the transition.

Lastly, Ms. Tujague requested that customer payment deposits be made to the lockbox account instead of the Allegiance Bank account, to which Mr. Minter agreed.

EMERGENCY INTERCONNECT AGREEMENTS AND ISSUES WITH NEIGHBORING DISTRICT/WATER SYSTEMS

Mr. Roach stated he met with one of the neighboring districts' attorneys at the AWBD conference and will be recirculating the various emergency interconnect agreements to the neighboring districts, reminding them of the prior interest in scheduling a follow-up joint meeting.

REVIEW DISTRICT POLICIES

Mr. Roach advised that the District must review certain policies annually and noted several bills passed during the 2023 Texas Legislative session that may prompt some policy amendments. Among others, he reviewed House Bill No. 2815, which increases Director per diems from \$150 to now currently a statutory maximum of \$221 per day. He also explained certain other limitations and requirements regarding the change. After discussion, Director Tober motioned, seconded by Director Julun, to amend the District's Fee of Office and Expense Policy to reflect the increase in Director per diems to \$221 per day as authorized by law. The motion passed unanimously.

DIRECTOR'S REPORTS

Director Tober presented an update on the recent West Harris County Regional Water Authority ("WHCRWA") meeting, including project updates undertaken by WHCRWA.

Then, Director Julun summarized various seminars he attended at the recent Association of Water Board Directors ("AWBD") conference.

TECHNOLOGY AND WEBSITE UPDATES

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

ATTORNEY'S REPORT

Mr. Roach said he would discuss with Mr. Cameron Thatcher certain arbitrage matters recently questioned by the Board. He then briefly reviewed additional legislation that had passed and advised that RAPLLC will present a more thorough legislative summary soon.

Next, Mr. Roach noted that the Board is required annually to file a form with the Secretary of State regarding the voting system(s) the District may have used during the year and related information, and he asked for authorization for RAPLLC to complete and file the form on behalf of the District as necessary. Director Nelson moved to authorize same. The motion was seconded by Director Tober and passed unanimously.

Then, Mr. Roach asked the Board to consider approval of the destruction of old copies of prior Board meeting notes as allowed by applicable law. He reminded the Board that RAPLLC retains electronic copies of virtually all District records and that copies of all meeting minutes are kept in perpetuity as the official record Board actions at its meeting. After discussion, Director Julun motioned to authorize the destruction of old copies of prior Board meeting notes as authorized by law. Director Love seconded the motion, which passed unanimously.

Ms. Tujague exited the meeting during the discussion.

ADDITIONAL PUBLIC COMMENTS

There were no additional 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 July 25, 2023, at 1:00 p.m. After no further discussion to come before the Board, Director Tober motioned to adjourn the meeting. The motion was seconded by Director Julun and passed unanimously.

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Approved this 25th day of July 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