

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238,  
OF HARRIS COUNTY, TEXAS**

**Minutes of Meeting of Board of Directors  
June 15, 2015**

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238, of Harris County, Texas ("District"), met at 18702 Kieth Harrow Boulevard, Houston, Texas on June 15, 2015, 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:

Michael McGlaughlin, President  
Randy Love, Vice President  
Patricia Richardson, Secretary  
Damon Sachs, Assistant Secretary  
C.L. "Steve" Crane, Director

all of said persons were present thus constituting a quorum.

Also present were Cathy Wheeler of Wheeler & Associates, Inc. ("Wheeler"); Cynthia Colondres of Municipal Accounts & Consulting, L.P. ("MA&C"); Jeff Vogler of Van De Wiele & Vogler, Inc., ("VVI"); Frank Garcia of Gulf Utility Service, Inc. ("GUS"); Jonathan Roach, Frank Mitchell, Jeremy Roach and Daniel Scruggs of The Law Firm of Jonathan A. Roach, PLLC ("JARPLLC"); and residents Gerald Garcia and Gary Tober.

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

**APPROVE MINUTES**

The Board considered for approval the minutes from the regular meeting held on April 28, 2015. Director Richardson made a motion to approve the minutes. The motion was seconded by Director Love and passed unanimously.

**PUBLIC COMMENTS**

Mr. Garcia asked what the District's policy is on accepting gifts from vendors and contractors. Ms. Wheeler and Mr. Roach advised that consultants do not generally offer gifts to Directors and that generally state law prohibits any gifts more than fifty dollars and allows certain reimbursable expenses for travel and meals. Mr. Garcia also asked about the status of the garbage collection proposals. Director Love said that the homeowners associations ("HOAs") have suggested that the Board and District counsel come together with the HOAs and their counsel to see what can be worked out. He then suggested that the issue be tabled until such meeting can happen later in the summer.

## TAX ASSESSOR COLLECTOR REPORT

Ms. Wheeler presented the Tax Assessor Collector Report for the months of April and May 2015, copies of which are attached as Exhibit A. She said they will be sending the delinquent tax accounts to the delinquent tax collection attorney before the next meeting. Ms. Wheeler stated she has been working on the preliminary values for the District and the overall assessed value has increased about 22 million dollars. Director McGlaughlin inquired again about the tax rebate idea, and Ms. Wheeler stated that she has no objection to it as long as the funds do not come from the tax account. After further discussion, Director McGlaughlin moved to approve the Tax Assessor Collector Report. Director Love seconded the motion which carried unanimously.

## DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Ms. Wheeler stated that there was no report to present for this month.

## BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report and a quarterly investment inventory report, copies of which are attached hereto as Exhibit B. She noted that some of the items included payment for two months of invoices due to cancellation of the May regular meeting. Director McGlaughlin asked her to prepare a draft budget for review prior to the next meeting. After discussion, Director Crane moved to approve the Bookkeeper's Report and quarterly investment report. Director McGlaughlin seconded the motion which passed unanimously.

## UPDATE ON FINANCIAL ADVISOR SERVICES CONTRACT

Mr. Roach noted that currently the District has a contract with Frost Bank and that Ryan O'Hara is not with Frost Bank any more. Director McGlaughlin asked Mr. Roach to speak with Mr. O'Hara and determine whether he could continue to serve the District in some capacity.

## ENGINEERING REPORT

Mr. Vogler presented a written Engineer's Report dated June 15, 2015, a copy of which is attached hereto as Exhibit C. Mr. Vogler mentioned that he and Mr. Roach have been working with a title company to determine property ownership along Dulaney Road for the easement acquisition area. He stated there is nothing new on the Greenhouse Road water line extension project. He submitted a pay application for the Water Plant No. 2 water line extension project in the amount of \$50,693.90. Mr. Vogler then presented GIS mapping options for District facilities using the Google Earth program. The Board asked Mr. Vogler to prepare a presentation for the next meeting. Mr. Vogler also noted that Mayde Creek Municipal Utility District ("Mayde Creek MUD") provided notice that the district is converting to a chloramines disinfection system. After further discussion, Director McGlaughlin made a motion to approve payment of \$50,693.90 for the Water Plant No. 2 water line extension project. The motion was seconded by Director Love and passed unanimously.

## MAYDE CREEK MUD DRAINAGE IMPROVEMENTS

Mr. Vogler noted that there is no update and no further Board action is required at this time.

## REQUEST FROM MORTON RD. MUD FOR ADDITIONAL WATER SERVICE

The Board deferred on this item at this time.

## REPORT FROM CHAMPIONS HYDRO-LAWN, INC.

There was no representative present and no report presented this month for Champions Hydro Lawn.

## OPERATION AND MAINTENANCE REPORT

Mr. Garcia presented the written report to the Board, a copy which is attached as Exhibit D. He stated that he had received notice from Harris County of a chlorine violation, and he explained that reason for the violation is that when the inspector arrived for routine sampling GUS was in the process of thoroughly cleaning the plant so there was more chlorine present than normal, causing the high reading. He next advised that lightning struck one of the lift pumps which required a repair of about \$5,000, to which the Board concurred. He also advised that the inflow dishes have all been installed and are functioning properly.

## EMERGENCY MANAGEMENT PLAN

Mr. Roach advised that the District is currently a member of the TxWARN program and explained how the program works. He also suggested that there may be various grant opportunities available for emergency management projects. Director Love asked Mr. Roach to prepare a summary outline of how to apply for the grants if needed in the future. Director Love said he is going to put together a “chain of command” for emergency decision making as an addendum to the adopted Emergency Management Plan. He also stated that he is going to order five of the previously approved emergency radios and prepare an emergency kit for each of the Directors.

## UPDATES TO DISTRICT WEBSITE

The Board considered proposals for website design and hosting services and reviewed the District’s current service level. The Board discussed the bidding procedure and requirements for bidding related to this type of service contract. After discussion, Director Richardson made a motion to accept the bid and enter a contract for website services with Apollo IT Consulting. Director Sachs seconded the motion and after a vote the motion passed with four (4) Directors approving and Director McLaughlin abstaining.

## **ARBITRAGE COMPLIANCE SPECIALISTS REPORTING**

The Board received a proposal from Mr. Cory Burton for arbitration reporting services from Arbitrage Compliance Specialists (“ACS”). Mr. Roach explained the arbitration reporting requirements, generally, and the proposal from ACS. After discussion, Director Love made a motion to engage ACS for the subject arbitration reporting services outlined in the proposal. Said motion was seconded by Director McGlaughlin and passed unanimously.

## **ATTORNEY’S REPORT**

Mr. Jonathan Roach stated that his firm is working on a legislative update memorandum for distribution regarding the new laws that passed which may affect water districts. He also advised that he is continuing to work with Harris County regarding the electronic records and recording options.

Ms. Wheeler exited the meeting at this time.

## **ADDITIONAL PUBLIC COMMENT**

Mr. Garcia stated that he is a Barkers Ridge resident and will be happy to share information about how Republic Services collects and bills for garbage in his neighborhood.

## **PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS**

Director Love proposed to table the garbage collection issue until after a meeting can be held with the HOAs but if no compromise can be reached then the District should decide not to involve itself any further in the matter. The Board confirmed the next meeting will be held on July 28, 2015.

## **CLOSED SESSION**

The Board entered executive session pursuant to Texas Government Code, Section 551.071 at 3:00 p.m.

## **RECONVENE IN PUBLIC SESSION**

The Board returned to open session at 3:13 p.m. Director Richardson then made a motion to decline the counter offer from Severn Trent Services of \$45,500. The motion was seconded by Director Love and after a vote failed two to three (2-3). After further discussion, Director McGlaughlin made a motion to offer a settlement of \$43,500 to Severn Trent Services. Director Crane seconded the motion and after a vote, the motion passed with three (3) votes, including a neighbor from Director Richardson and an abstention from Director Love.

## **ADJOURNMENT**

There being no further matters to come before the Board, Director Crane moved that the meeting be adjourned. The motion was seconded by Director Sachs and carried by unanimous vote, and the meeting was adjourned.

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Secretary,  
Board of Directors

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**LIST OF EXHIBITS**

Exhibit A	Tax Assessor Collector Report
Exhibit B	Bookkeeper's report
Exhibit C	Engineer's report
Exhibit D	Operator's Report