

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

Minutes of Meeting of Board of Directors April 25, 2017

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District"), met at 18702 Kieth Harrow Boulevard, 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
Patricia Richardson Vice President
C.L. "Steve" Crane, Secretary
Gary Nelson, Assistant Secretary
Michael McGlaughlin, 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"); Traci Chapa and Michael Williams of Gulf Utility Service, Inc. ("GUS"); Josh Fort of Champions Hydro-Lawn ("Champions"); Jonathan Roach, Daniel Scruggs, and Shaila Shah of Roach & Mitchell, PLLC ("RMPLLC"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler"); Chief Deputy Brian Harris and Lieutenant Mitch Hunter from Precinct No. 5; and resident 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 prior Board meeting held on March 28, 2017. Director McGlaughlin noted that distribution of the Barkers Crossing Homeowners Association ("BCHOA") agreement to the Board was not mentioned in the minutes. After explanation and further discussion by the Board, Director Nelson motioned, seconded by Director Crane, and the Board voted unanimously to approve the minutes of March 28, 2017, as presented.

PUBLIC COMMENTS

Mr. Roach introduced Chief Deputy Harris and Lieutenant Hunter, who presented information regarding the Contract Deputy Program available to the District at an annual cost of \$67,000. The Board did not take any action.

DISCUSSION REGARDING BARKERS CROSSING HOMEOWNERS ASSOCIATION (“BCHOA”) POND TRAIL, INCLUDING REVIEW OF POSSIBLE MAINTENANCE AGREEMENT

Mr. Roach stated that a copy of the aforementioned agreement between the District and BCHOA was sent to the Board for review. The Board noted that it did not believe it should be required to contribute financially to the trail maintenance as BCHOA was effectively using the District’s property at no cost. Mr. Roach advised that the contribution was a request from BCHOA and that he will remove the financial contribution provision(s) from the agreement and present a revised agreement in May. The Board took no action at this time.

TAX ASSESSOR COLLECTOR REPORT

Mr. Arce presented the Tax Assessor Collector Report, a copy of which is attached as **Exhibit A**. Mr. Arce stated that the taxable value of property within the District had increased 6% over the past year and is currently \$437,575,535. The Board had no questions regarding the Tax Assessor Collector Report at this time. Upon motion by Director Crane, seconded by Director Nelson, the Board voted unanimously to accept the Tax Assessor Collector Report.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Mr. Arce then presented the Delinquent Tax Collections Attorney Report. He noted that there is no action that needs to be taken. Director McGlaughlin noted a correction to the address of a property which should be 3311 Zephyr Glen Way. Mr. Arce stated that he would inform the Delinquent Tax Attorney accordingly.

STATUS OF ARBITRAGE COMPLIANCE REPORTING REQUIREMENTS

Mr. Roach noted that the Board approved the engagement of Arbitrage Compliance Specialists, Inc. (“ACSI”) at the March meeting to complete certain required arbitration reporting and he then presented the engagement letter(s) to sign. No Board action was required at this time.

BOOKKEEPER'S REPORT

Mrs. Colondres next presented the Bookkeeper’s Report, a copy of which is attached hereto as **Exhibit B**. Mrs. Colondres noted a principal and interest debt service payment was made on March 31, 2017. The Board did not have any questions regarding the Bookkeeper’s Report. Upon motion by Director McGlaughlin, seconded by Director Nelson, the Board voted unanimously to approve the Bookkeeper’s Report, including payment of the checks presented.

ENGINEER’S REPORT

Mr. Reed presented the Engineer’s Report, a copy of which is attached hereto as **Exhibit C**. He stated that he is still waiting on the District to obtain easements for the Dulaney Road and Morton

Road water main extensions. Mr. Reed also stated that VVI received the draft Waste Discharge Renewal Permit from the Texas Commission on Environmental Quality (“TCEQ”) and published the second (2nd) public notice as required. He stated that VVI is now waiting for the final permit. Mr. Reed then noted that the Recoating of Water Plant No. 1 is complete and that VVI is holding the final payment until completion of the punchlist items.

Mr. Reed then gave an update regarding the cleaning and televising projects for both Barkers Ridge Sections 4 and 5 and Oak Ridge Place Sections 1, 2 and 3. He noted that the field work is complete and that VVI is waiting for the final pay application.

Mr. Reed noted that VVI received the right of entry form from Harris County Flood Control District (“HCFCD”) to address the channel and detention pond silting issue and that VVI prepared plans to submit to HCFCD. He also noted that they received comments from HCFCD which are being addressed.

Director McGlaughlin noted that the District boundary map appeared incorrect on the District website. Director Crane stated that he will update the website map accordingly.

STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Fort presented the Maintenance Report to the Board, a copy of which is attached as **Exhibit D**. Mr. Fort noted that the wildflowers are continuing to grow but advised of no other issues to report.

OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations Report to the Board, a copy which is attached as **Exhibit E**. Mr. Williams noted the District service calls and various repairs made throughout the District within the month of March. Mr. Williams noted that there were no permit violations and no other operational issues to report this month.

Mr. Williams next advised of certain upcoming proposed expenses at the Wastewater Treatment Plant and Water Plant No. 1 including, among others, repairs to blower no. 3 for approximately \$10,318 and a corresponding motor which needs to be either repaired or replaced. Discussion ensued regarding the options and costs involved. Upon motion by Director McGlaughlin, seconded by Director Love, the Board voted unanimously to approve the repairs of blower no. 3 in the amount of \$10,318. Upon motion by Director McGlaughlin, seconded by Director Richardson, the Board also voted unanimously to authorize GUS to replace the motor for blower no. 3 at the Wastewater Treatment Plant in the amount of \$4,876.30.

Mr. Williams presented a letter from the resident at 3238 Clipper Winds Way, who was requesting to have the late fees removed from his bill. Mr. Williams stated that the resident’s payments are routinely late. Discussion ensued regarding the resident’s payment history. The Board agreed to not remove the late fees. Mr. Williams then presented another customer request from the

resident at 18607 Camellia Dale Trail. Mr. Williams stated that the resident inquired about the spike in usage as reflected on their water bill. He noted that GUS re-read the meter, found that it was read incorrectly, and credited the account accordingly.

Mr. Williams stated that information about the District website was recently added to the water bill. He also noted that there were no identity theft issues during the past year and is not recommending any changes to the Identity Theft Prevention program.

ATTORNEY'S REPORT

Mr. Roach stated that there was no update regarding the policies for electronic signatures. Mr. Roach presented the Interlocal Agreement between the District and HCFCD and requested approval and signatures from the Board. Upon motion by Director McGlaughlin, seconded by Director Love, the Board voted unanimously to approve the Interlocal Agreement and authorize the execution by the President.

Mr. Roach presented an update regarding Senate Bill No. 2 which the Board had discussed at a prior meeting, and he stated that the approval is still pending at the Senate. Mr. Roach advised that he would present additional information after the close of the 2017 Legislative Session. Director Love requested that RMPLLC review the contracts and documents on the District Dropbox files/Virtual Office Environment to ensure that they are the current versions.

ADOPT RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

Mr. Roach then advised that, pursuant to the Texas Property Tax Code, under certain conditions the District could impose an additional penalty on delinquent real property taxes as of July 1st of each year and that the penalty is to cover the costs of collections by the District's delinquent tax collections attorneys. Upon motion by Director Love, seconded by Director Richardson, after full discussion, the Board voted unanimously to authorize the additional twenty percent (20%) penalty on real property.

ADDITIONAL COMMENTS FROM THE PUBLIC

There were no additional comments.

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

The Board discussed the possibility of installing Smart Meters in the District. The Board agreed to table to discussion until they have additional information to review.

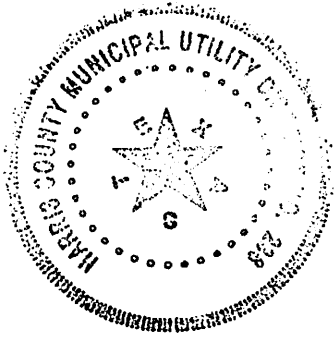
The Board next discussed scheduling a facilities tour with GUS. Mr. Roach stated that if more than two (2) Board members wanted to attend, then an agenda would have to be posted. Mr. Roach, Mr. Williams, and the Board also discussed options for a liability waiver if a resident wanted to attend the tour. Mr. Williams stated that he would follow up with RMPLLC on a date and time for the tour.

The Board inquired on the need for Constable Patrol as discussed earlier in the meeting. There was no interest by the Board at this time as the current patrol is being coordinated by the Homeowners Associations in the District.

ADJOURNMENT

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

[SEAL]




Secretary,
Board of Directors

LIST OF EXHIBITS

Exhibit A	Tax Assessor/Collector Report
Exhibit B	Bookkeeper Report
Exhibit C	Engineer Report
Exhibit D	Maintenance Report
Exhibit E	Operations Report