

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Special Meeting of Board of Directors January 5, 2018

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District"), met in special session at 2800 Post Oak Boulevard, Houston, Texas, 77056, 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 Directors were present, thus constituting a quorum.

Also present were Putri Tesalonika 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"); Jonathan Roach, Frank Mitchell, Josh Zientek, Daniel Scruggs, Shaila Shah, and Megan Barcak of Roach & Mitchell, PLLC ("RMPLLC"); Josh Fort of Champions Hydro-Lawn ("Champions"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler"); and residents Gary Tober and Indira Faucher.

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

#### REVIEW OF 2017 EVENTS, 2018 DISTRICT ACTION ITEMS, AND DISCUSS ANNUAL MEETING MATTERS

Mr. Roach inquired with the Board if they would like to schedule an annual meeting or prepare a newsletter highlighting the events of 2017 and the upcoming events and plans for 2018. The Board concurred to approve a newsletter in lieu of an annual meeting.

#### APPROVE MINUTES

The Board considered for approval the minutes from the prior Board meeting held on November 28, 2017. Mr. Roach noted that Director McGlaughlin provided some corrections to the minutes. After discussion and review of the changes, Director Nelson made a motion to approve the minutes of the November 28, 2017 meeting, as amended. Director Crane seconded said motion, which carried four to zero (4-0), with Director Richardson abstaining.

## PUBLIC COMMENTS

Mr. Roach noted that as per request of the Board, the agenda item to discuss Barkers Crossing Homeowners Association ("BCHOA") had been removed from the agenda. He also reminded the guests of the public comment policy in effect. He then noted that he would add the BCHOA agenda item back to the January 23, 2018 agenda. Ms. Faucher noted that she would defer her comments until the January 23, 2018 meeting. She did note, however, that due to the "No Trespassing" signs, the detention pond is no longer being mowed by the BCHOA.

Ms. Faucher exited the meeting at this time.

## TAX ASSESSOR/COLLECTOR REPORT

Mr. Acre presented the Tax Assessor/Collector Report for November and December, a copy of the December report is attached as Exhibit A. He reviewed the collections for the month and the checks submitted for review and approval. After no questions, Director Nelson, made a motion to approve the Tax Assessor/Collector Report and payment of the checks presented. Director Love seconded said motion, which passed unanimously.

## DELINQUENT TAX ATTORNEY REPORT

Mr. Arce also presented the Delinquent Tax Attorney Report from Mr. Cox's office. He noted that no action is required at this time.

## BOOKKEEPER'S REPORT

Ms. Tesalonika presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit B. She noted that there were no issues to report and reviewed the checks presented for payment. She noted that there is a check included for the Smart Meters payable to Accurate Meter. After brief discussion, Mr. Williams noted that the payment is for the smart meter web portal. Ms. Tesalonika then reviewed the AWBD mid-winter conference registration, noting that only one (1) Director registered. After no additional questions, Director Nelson made a motion to approve the Bookkeeper's Report, including payments of the checks presented. Director Love seconded said motion, which passed unanimously.

## ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as Exhibit C. Mr. Roach noted that RMPLLC is still attempting to obtain the Morton Road easement(s). Mr. Reed next noted that the construction for the Dulaney Road water main extension is underway. Mr. Reed also noted that Champions is working on cleanout and desilting of the channel and that once the cleanout is complete the area will be seeded over.

Mr. Reed then provided an update regarding the Radium issue. He noted that the fourth (4<sup>th</sup>) and final Radium test will be conducted in January. He next reviewed the results of the Envirodyne

Laboratories testing, stating that water plant no. 1 tested positive for high levels of Radium. Extensive discussion ensued regarding the water plants' water production, surface water, and Radium levels. Mr. Reed next noted that he is researching treatment options for water plant no. 1. He then presented two treatment options for water well no. 2, noting that the cost of the treatment is significantly less than his original estimate. He presented three (3) options to the Board: an ion exchange, construction of a new well, or plugging the radiation zone. Mr. Reed noted that the most cost-effective option is to plug the radiation zone, and he noted that the 20-year system total cost is \$250,000. Mr. Reed discussed the treatment process for all three options and then explained the benefits of plugging the radiation zone. Director McGlaughlin then made a motion to authorize VVI to advertise for bids to plug the radiation zone. Director Nelson seconded said motion, which carried unanimously. Mr. Reed then noted that the GIS map was uploaded.

### STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Fort presented the Maintenance Report to the Board, a copy of which is attached as Exhibit D. He noted that Champions began work on desilting the channel and provided pictures to the Board regarding the work. He noted that they are currently spreading the silt and the project should be completed within the next few weeks. Director McGlaughlin inquired on the additional areas that need to be desilted. Discussion ensued and the Board stated that the additional areas are outside of the District and therefore, not the responsibility of the District. Mr. Fort next noted that the "No Trespassing" sign was installed. Director Love requested that the sign be moved into the pond area. Mr. Fort stated that he will move the sign as soon as possible. Mr. Fort then noted that the fence at the detention pond is still in need of repair. Brief discussion ensued and the Board noted that the repair is the responsibility of the BCHOA.

### OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations and Maintenance Report to the Board, a copy which is attached as Exhibit E. Mr. Williams discussed some of the repairs and alerts within the month of November. He noted that the installation of the smart meters is complete and GUS hopes to have the portal system running by the end of January.

Mr. Williams next reviewed the customer collections with the Board and requested to write off approximately \$14,800. Discussion ensued regarding the collection attempts and the location status of the residents. Mr. Arce requested the list from GUS to confirm the property ownership status of the residents with the property tax list. The Board then concurred to write off all accounts that were under \$100 and requested information on the accounts that were over \$100. After additional discussion and a motion by Director Nelson, seconded by Director McGlaughlin, the Board voted unanimously to authorize Mr. Arce up to two (2) hours of additional work to compare the GUS write off list with the property tax list. Mr. Williams then reviewed the rest of the collections information from the annual audit report with the Board.

Mr. Williams next presented cost proposals to repair three manholes within the District at a total cost of \$12,068.63. Upon motion by Director McGlaughlin, seconded by Director Crane, the

Board voted unanimously to repair all three (3) manholes. Mr. Williams then suggested a manhole survey for the District at a cost of \$16,100. He noted that all of the manholes in the District would be evaluated. Director McGlaughlin noted that a manhole survey for the District was already conducted. Discussion ensued regarding the survey and Mr. Williams stated that it should be done again. Mr. Williams then presented and reviewed a proposal for an asset maintenance program ("program"), a copy of which is attached hereto as **Exhibit F**. He noted that the program will include manhole inspections, isolation valve maintenance, and fire hydrant maintenance. Discussion ensued regarding the program and Director McGlaughlin noted that he was under the impression that the contents of the program were included in the Operator fee for general services. Mr. Williams requested that the Board review the proposal for discussion and possible action at the January 23, 2018 meeting.

Mr. Williams next presented a request from a resident at 3607 Barkers Crossing Avenue for a \$10.28 late fee to be removed from their water bill. He noted that the resident has a history with late payments. After brief discussion, Director McGlaughlin made a motion to waive the late fee of \$10.28. Director Crane seconded said motion, which passed three to two (3-2), with Directors Richardson and Love voting against.

#### **REVIEW NEW CONTRACT PROPOSAL FROM OFF-CINCO, AND WEBSITE/DIRECTOR E-MAIL ADDRESS UPDATE**

Mr. Roach presented the amended contract proposal from Off-Cinco, a copy of which is attached hereto as **Exhibit G**. He discussed the revised information presented in the contract, stating that the monthly fee increased from approximately \$200 a month to \$275 a month. Discussion ensued regarding the new fee and the Board requested that Off-Cinco provide monthly tracking of the website. Director Love then made a motion to accept the revised contract from Off-Cinco. Director Nelson seconded said motion, which carried four to zero (4-0), with Director Crane abstaining.

#### **SOLICITATION OF BIDS FOR INSURANCE POLICIES**

Mr. Roach noted that the current insurance policy from Arthur J. Gallagher ("AJG") will expire in March 2018. He asked if the Board would like to request a renewal proposal from AJG or request additional proposals from HARCO Insurance Services and AquaSurance, LLC. He reminded the Board that they requested proposals from all three (3) companies last year. Upon motion by Director Nelson, seconded by Director McGlaughlin, the Board voted unanimously to authorize requests for proposals from AJG, HARCO Insurance Services, and AquaSurance, LLC.

#### **REVIEW CODE OF ETHICS, INVESTMENT POLICY, AND RELATED POLICIES**

This item was deferred.

#### **STATUS OF ANNUAL CONTINUING DISCLOSURE REPORT**

Mr. Roach noted that Hutchinson, Shockey, Erley & Co. is preparing the annual Continuing

Disclosure Report, which will be filed with the audit report.

### **STATUS OF ARBITRAGE COMPLIANCE REPORTING REQUIREMENTS**

Mr. Roach noted that this item will be deferred as RMPLLC has not received any arbitration compliance reports.

### **ATTORNEY'S REPORT**

Mr. Roach presented the Attorney's Report and noted that there is an electronic signature program in place through DocuSign. He requested approval to utilize the District as a test subject. Discussion ensued regarding the documents that can be signed through DocuSign.

Mr. Roach next presented the draft of the 2018 Master Calendar, a copy of which is attached hereto as **Exhibit H**. He also noted that the Directors Election will be in May and he reviewed the important dates associated with the election.

Mr. Roach then reported on the BCHOA, noting that he received communication via email from Ms. Faucher. Discussion ensued and Mr. Roach noted that he will forward the communication to the Directors. He also noted that RMPLLC received a notice from Barkers Ridge Homeowners Association that they were exploring the process to amend their bylaws and Articles of Incorporation in order to update the Directors positions. He noted that the Board can exercise a vote if they chose as they do own a lot. After discussion, the Board concurred to take no action regarding the vote.

### **ADDITIONAL COMMENTS FROM THE PUBLIC**

There were no additional public comments.

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

The Board did not enter executive session.

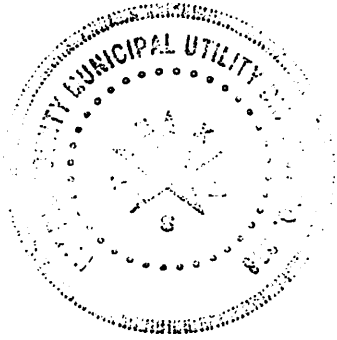
### **DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS**

Mr. Arce requested that an item be added to the January 23, 2018 agenda to consider a proposal for an amended Tax Assessor/Collector contract.

### **ADJOURNMENT**

There being no further matters to come before the Board, Director Love adjourned the meeting.

[SEAL]



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Secretary,  
Board of Directors

## LIST OF EXHIBITS

Exhibit A	Tax Assessor/Collector Report
Exhibit B	Bookkeeper Report
Exhibit C	Engineer Report
Exhibit D	Champions Report
Exhibit E	Operations and Maintenance Report
Exhibit F	Asset Management Program Proposal
Exhibit G	Off Cinco amended contract
Exhibit H	2018 Master Calendar