

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Meeting of Board of Directors January 23, 2018

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"); Jonathan Roach, Frank Mitchell, and Shaila Sreedharan of Roach & Mitchell, PLLC ("RMPLLC"); Josh Fort of Champions Hydro-Lawn ("Champions"); Ray Arce (late) of Wheeler & Associates, Inc. ("Wheeler"); residents Ron Julun, Gary Tober, and Robert Gibson; and Gary Brown, a representative from Barker's Ridge Homeowners Association ("BRHOA").

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

#### APPROVE MINUTES

Mr. Roach noted that he would present the minutes from the January 5, 2018 special meeting and the January 23, 2018 regular meeting at the February meeting. The Board agreed to defer approval of the minutes.

#### PUBLIC COMMENTS

Mr. Roach reminded the visitors of the public comment policy and recognized Gary Brown, a representative of the BRHOA. Mr. Brown presented information regarding the Greenhouse Road landfill. After discussion and questions from the Board regarding the landfill, the Board requested that he send additional information to RMPLLC. The Board also requested that this matter be added to the February agenda.

Mr. Roach next recognized Robert Gibson, who inquired on the status of the smart meter installation. Mr. Williams noted that he would address the status of the installations during the Operator's Report. Mr. Gibson next provided historical information regarding the landfill on

Greenhouse Road.

Mr. Arce entered the meeting during the Public Comments.

**DISCUSSION REGARDING BARKERS CROSSING DENTION POND TRAIL, INCLUDING REIVEW OF POSSIBLE MAINTENANCE AGREEMENT**

Mr. Roach noted that Inderia Faucher, President of Barkers Crossing Homeowner's Association requested to reschedule the meeting with Director Love and RMPLLC. He stated that she also requested to defer discussion related to the detention pond to February. He then presented pictures from Director Crane that showed the damage to the pond fencing.

**TAX ASSESSOR/COLLECTOR REPORT**

Mr. Arce noted that the December report was presented at the January 5, 2018 meeting. He then noted that he compared the GUS collection list to the homeowner tax list and did not find anything that would assist GUS with collections.

**CONSIDER AMENDMENT TO TAX ASSESSOR/COLLECTOR CONTRACT**

Mr. Arce requested that this item be deferred to the February meeting.

**DELINQUENT TAX ATTORNEY REPORT**

Mr. Arce noted that there was no new information to present this month. Director Love inquired as to the status of the delinquent accounts compared to last year.

**RESOLUTION GRANTING EXEMPTIONS FROM TAXATION FOR 2018**

Mr. Roach explained the exemptions from taxation the District could adopt pursuant to the Texas Tax Code and presented the Resolution Granting Exemptions from Taxation for 2018 ("Resolution"), a copy of which is attached as Exhibit A. After discussion between the Board and Mr. Arce, Director McGlaughlin made a motion to keep the homestead exemption at 10% and to keep the 65 years of age and older and federal disability tax exemption at \$3,000 for tax year 2018 and to adopt the Resolution. Director Nelson seconded said motion, which carried unanimously.

**RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

Mr. Roach next advised the Board it is authorized pursuant to the Texas Property Tax Code to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that become delinquent as of February 1 of a year and that remain delinquent sixty (60) days after said date, in order to defray the costs of collection of said delinquent taxes. The Board then considered the adoption of a

Resolution authorizing such additional penalty, a copy of which is attached as Exhibit B. Upon motion by Director McGlaughlin, seconded by Director Nelson, the Board voted unanimously to adopt the Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes.

### BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit C. She noted that there were no issues to report and reviewed the checks presented for payment. Ms. Colondres then noted that there would no longer be a secured investment section in the report due to a change in law that no longer requires it to be presented monthly. After brief discussion, Director Crane made a motion to approve the Bookkeeper's Report, including payments of the checks presented. Director Richardson 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 D. He noted that there were no major issues to report from the recent freeze. He next provided an update regarding the Dulaney Road construction, noting that it is underway. Mr. Roach also noted that RMPLLC is still attempting to obtain the Morton Road easement(s). Mr. Reed next noted that the work by Champions on the channel desilt is underway and is looking good.

Mr. Reed next presented information regarding the radium testing and treatment. He noted that proposals have been requested to perform pilot studies at Water Plant Nos. 1 and 2. He stated that the project will be more involved than he initially thought, as the Texas Commission on Environmental Quality ("TCEQ") requires preliminary testing to approve all changes to the potable water treatment process. He then reviewed the timeline of the project. Discussion ensued regarding the treatment plan and the anticipated proposals. Director McGlaughlin made a motion to authorize Director Love to accept and execute a proposal that does not exceed \$15,000 for each when they are received. Director Crane seconded said motion, which passed unanimously.

Director Crane also inquired on Mr. Reed's opinion of the Greenhouse Road Landfill project. The Board briefly discussed the project. The Board then concurred to accept the Engineer's Report.

### STATUS OF MAINTENANCE BY CHAMPIONS

Mr. Fort presented the Maintenance Report to the Board, a copy of which is attached as Exhibit E. He noted that the channel desilt is complete and the next step will be to lay the hydro mulch. Discussion then ensued regarding the relocation of the "No Trespassing" sign.

### OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations and Maintenance Report to the Board, a copy which is attached as Exhibit F. Mr. Williams discussed some of the repairs and alerts within the month of December. Director McGlaughlin inquired as to the addition of the sewer backups of the GIS map. Mr. Williams next presented the collections and uncollectible accounts with the Board. After

discussion, Director Nelson made motion to write off \$14,872.44 in uncollectible accounts. Director Love seconded said motion, which carried unanimously. Mr. Williams next provided an update regarding the smart meter installation. He noted that GUS is still transitioning to the smart meter portals.

Mr. Williams next presented a request from a resident at 2602 Creek Arbor Circle for a \$10.00 late fee to be removed from their water bill. He noted that the customer came to the office to request the fee be waived and he verbally abused and spit on the employees. He also noted that this was the second (2<sup>nd</sup>) time that the resident exhibited this behavior and that both incidents were reported to the police. After discussion, Director Richardson made a motion to approve the refund if the resident agreed to sign up for automatic payments. Director McGlaughlin seconded said motion, which did not pass with a two-three (2-3) vote, with Directors Love, Crane, and Nelson voting against. Director Crane then made a motion to deny the refund request. Director Love seconded said motion, which passed unanimously.

Mr. Williams next discussed the preventative maintenance proposal that was presented at the January 5, 2018 meeting. After discussion, the Board stated that they were felt that it should have already been incorporated into the asset management plan. The Board agreed to further discuss next month.

Mr. Gibson exited the meeting at this time.

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

This item was deferred.

#### **REVIEW ANNUAL CONTINUING DISCLOSURE REPORT**

Mr. Roach noted that the annual audit report had been filed and that the District's financial advisor will complete and file the continuing disclosure report by the end of the month.

#### **SOLICIATION OF BIDS FOR INSURANCE POLICIES**

Mr. Roach noted that RMPLLC requested insurance proposals from Arthur J. Gallagher, HARCO Insurance Services, and AquaSurance. He stated that they will be emailed to the Directors for review upon receipt and discussed at the upcoming meeting(s).

#### **DIRECTOR REPORTS**

There were no reports.

## ATTORNEY'S REPORT

Mr. Roach presented the Attorney's Report and noted that there was nothing of legal nature to report. Director McGlaughlin inquired about the e-mail from the resident requesting a correction to the West Harris Regional Water Authority fee. Mr. Roach noted that Off-Cinco, the District's website consultant, corrected the mistake.

## SUPPLEMENTAL AGENDA

Mr. Roach presented the Order Calling Director's Election, a copy of which is attached as **Exhibit G**. He noted that one (1) application had been received and that the election is May 5, 2018.

Mr. Roach next noted that the Board is required to appoint an election agent. He reviewed the role of the election agent and recommended that the Board appoint Shaila Sreedharan of RMPLLC.

Mr. Roach then noted that during the 2014 election, the Board compensated the election officials \$10 per hour for their time. Discussion ensued regarding the election officials.

Director Crane then made a motion to: 1) adopt the Order Calling Director's Election; 2) appoint Shaila Sreedharan as the election agent; 3) authorize Director Love to collaborate with RMPLLC to select the election officials; and 4) compensate the election officials \$10 per hour. Director McGlaughlin seconded said motion, which carried unanimously.

## 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.

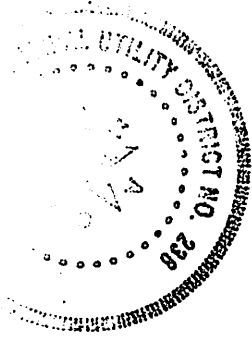
## DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

There was no discussion.

## ADJOURNMENT

There being no further matters to come before the Board, Director Love adjourned the meeting. Director McGlaughlin seconded said motion, which passed unanimously.

[SEAL]



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Secretary,  
Board of Directors

## LIST OF EXHIBITS

- Exhibit A Resolution Granting Exemptions from Taxation for 2018
- Exhibit B Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes
- Exhibit C Bookkeeper's Report
- Exhibit D Engineer's Report
- Exhibit E Champions Report
- Exhibit F Operations and Maintenance Report
- Exhibit G Order Calling Directors Election