

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238

### Minutes of Meeting of Board of Directors April 24, 2018

The Board of Directors ("Board") of Harris County Municipal Utility District No. 238 ("District"), met at 17332 Groeschke Road, 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"); Michael Williams and Jeanette Montes of Gulf Utility Service, Inc. ("GUS"); Jonathan Roach and Shaila Sreedharan of Roach & Mitchell, PLLC ("RMPLLC"); Josh Fort of Champions Hydro-Lawn ("Champions"); Ray Arce (late) of Wheeler & Associates, Inc. ("Wheeler"); Ron Julun, Gary Tober and Marcia Thomas (late), residents of the District.

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

#### APPROVE MINUTES

Mr. Roach presented the minutes of the March 27, 2018 regular meeting. Director Richardson noted a comment that she emailed to RMPLLC, and Ms. Sreedharan noted that she had made the correction. Director Nelson made a motion to approve the March 27, 2018 minutes as revised. Director Love seconded said motion, which passed four-one (4-1), with Director McGlaughlin abstaining.

#### PUBLIC COMMENTS

Mr. Julun requested the names of the meeting attendees. Mr. Roach noted that he would provide Mr. Julun with the list of the regular meeting attendees at the May Board meeting.

#### DISCUSSION REGARDING G.O. WEISS LANDFILL ("LANDFILL") ON GREENHOUSE ROAD

There was no discussion on this item.

## DISCUSSION REGARDING BARKER'S CROSSING DETENTION POND, TRAIL AND FENCE

Mr. Roach stated that as per the prior discussion at the March Board meeting, RMPLLC drafted a joint letter with Barkers Crossing Homeowners Association ("BCHOA") to Harris County regarding the pond and maintenance issues. Discussion ensued regarding the maintenance and a representative from Crest Management previously contacting the Board about the issue.

Director Crane next inquired on the fence repair. Mr. Fort noted that the repair should be finished by the end of the week. Director Crane also inquired about the ownership of the detention pond. Mr. Roach discussed the ownership and the history of Harris County and the Harris County Flood Control District in relation to detention pond ownership generally, and confirmed for the Board that the Barkers Crossing pond is owned by the District.

## RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

Mr. Roach presented the Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes, a copy of which is attached as Exhibit A. Mr. Roach 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 Nelson, seconded by Director Richardson, after full discussion, the Board voted unanimously to authorize the additional twenty percent (20%) penalty on real property.

## BOOKKEEPER'S REPORT

Ms. Colondres presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit B. She noted that she had registered Mr. Julun and Mr. Tober for the Association of Water Board Directors ("AWBD") Annual Conference. After no questions, and a motion by Director Nelson, seconded by Director Love, the Board voted unanimously to approve the Bookkeeper's Report and the checks presented in the report.

Director Crane then noted that he attended the AWBD Spring Breakfast. He stated that Meyers Research presented their report on the effects of Hurricane Harvey in Houston. He discussed the highlights of the presentation and noted that he would provide the presentation to the Board.

Ms. Thomas entered the meeting during the Bookkeeper's Report.

## AUTHORIZE NOTICE TO CERTAIN UNCLAIMED PROPERTY OWNERS

Mr. Roach explained the statutory annual requirements to review the District's records, to notify certain unclaimed property owners in writing for any amounts over \$250, and subsequent submission to the state of an unclaimed property report and certain property held in custody by the District. Director Crane moved to authorize notice to any unclaimed property owners and submission

of the appropriate report and escheating of any applicable property to the state. Said motion was seconded by Director Nelson and passed unanimously.

### ENGINEER'S REPORT

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto as Exhibit C. Mr. Reed reported on the Channel/Detention Pond de-silting project, noting that the rip-rap installation began today.

Mr. Reed next stated that he will be drafting the District's five (5) year Capital Improvement Plan ("CIP"). Discussion ensued regarding the difference between the Asset Management Plan and the CIP. Mr. Reed noted that he would use the information from the Asset Management Plan to develop the CIP.

Director McGlaughlin asked Mr. Reed if he had reviewed the Consumer Confidence Report ("CCR") for 2018, and a long discussion ensued regarding the Gross Alpha and related matters noted in the CCR. After discussion, upon motion by Director McGlaughlin, seconded by Director Crane, the Board voted unanimously to authorize GUS to add a footnote to the CCR regarding the District's average Gross Alpha level.

Director McGlaughlin then inquired on the estimated time for the radium pilot study to be completed. Mr. Reed noted that it will be completed in approximately thirty (30) days, subject to the lab results.

### 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, as discussed in the Engineer's Report, Champions began the rip rap installation at the Channel/Detention Pond. He then stated that there are no problems to report.

Director Richardson stated that a resident informed her that there is a sinkhole in the Oak Ridge area near County Square Drive. Mr. Fort noted that the noted area is the responsibility of Harris County Flood Control District.

### OPERATIONS AND MAINTENANCE REPORT

Mr. Williams presented the written Operations and Maintenance Report to the Board, a copy which is attached as Exhibit E. He discussed some of the repairs and alerts within the month of April. He also noted that the GUS fees were higher this month due to the fire hydrant maintenance and the rotating screen installation.

Mr. Williams next stated that the fire hydrant isolation valve preventative maintenance is complete. He noted that as per the results, four (4) of the fire hydrants were not working, two (2) have already been replaced, and the other two (2) will be replaced this week. Discussion ensued regarding

repair/replacement of the damaged fire hydrants and future fire hydrant isolation preventative maintenance.

Mr. Williams then presented a request from the resident at 3302 Bluebonnet Meadow Lane for an adjustment on his account for the extra usage incurred from December through February. He noted that this customer appealed last month, and the Board denied his request for a bill adjustment. He presented the letter that the resident submitted and noted that he is claiming that GUS cracked the plastic on the meter pipe. Mr. Williams stated that GUS could not have cracked the pipe and that this was not the area where the leak was initially reported. Mr. Williams stated that the resident is requesting an adjustment equal to three (3) months of water usage, or approximately \$150. After discussion, Director Richardson made a motion to deny the request for the bill adjustment. Director Love seconded said motion, which passed, three-one-one (3-1-1), with Director Nelson opposing, and Director McGlaughlin abstaining.

Mr. Williams noted that there were no identity theft issues to report and therefore, no changes will be made to the Identity Theft Prevention Program by GUS.

Mr. Arce entered the meeting during the Operations and Maintenance Report.

#### DISCUSS WEST HARRIS COUNTY REGIONAL WATER AUTHORITY (“WHCRWA”) ISSUES

Director McGlaughlin discussed the WHCRWA water shut off and inquired if the District used any of the other neighboring municipal utility district interconnects during that time. Mr. Reed noted that the District had actually provided water to Addicks Utility District during that time. Discussion ensued regarding the notice provided by WHCRWA about the water shut off. Director McGlaughlin inquired whether GUS referred to the Emergency Preparedness Plan (“EPP”) during this time and acted as instructed by the EPP. After additional discussion, the Board agreed to review and amend, if necessary, the EPP at an upcoming Board meeting. The Board also discussed reviewing their Director emergency kits at the May meeting.

#### TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce presented the Tax Assessor/Collector Report, a copy of which is attached as Exhibit E. Mr. Arce noted that the District is approximately 98.87% collected and there are no current issues to report. Mr. Arce then presented the monthly Wheeler invoice to the Board. Director Nelson inquired on the comparison between connections and units listed on the invoice. After no additional questions, and a motion by Director Nelson, seconded by Director Love, the Board voted unanimously to approve the Tax Assessor/Collector Report and the checks presented therein.

#### DELINQUENT TAX ATTORNEY REPORT

Mr. Roach presented and reviewed the Delinquent Tax Attorney Report, a copy of which is attached hereto as Exhibit G. He noted that there is no action required at this time.

**REVIEW CODE OF ETHICS AND RELATED POLICES**

The Board deferred any action at this time.

**ATTORNEY'S REPORT**

Mr. Roach stated that he will present various policies at the next Board meeting to review with the new Directors. He then reminded the Board that the May 5, 2018 Directors Election was cancelled and this is the last meeting that Directors McGlaughlin and Richardson will attend as Directors.

**ADDITIONAL COMMENTS FROM THE PUBLIC**

Director Nelson noted that he is satisfied with the new smart meters. Director McGlaughlin inquired if GUS is checking the new meter metrics. Mr. Williams confirmed that they are.

Mr. Julun then noted that he is happy that GUS conducted the fire hydrant maintenance.

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

The Board did not enter into executive session.

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

There was no discussion on pending business or future agenda matters.

**ADJOURNMENT**

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

Approved this 22 of May, 2018.

[SEAL]

  
Secretary,  
Board of Directors

**LIST OF EXHIBITS**

- Exhibit A - Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes
- Exhibit B - Bookkeeper's Report
- Exhibit C - Engineer's Report
- Exhibit D - Champion's Report
- Exhibit E - Operators' Report
- Exhibit F - Tax Assessor's Report
- Exhibit G - Delinquent Tax Attorney Report