MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 433
APRIL 11, 2018

THE STATE OF TEXAS §
COUNTY OF HARRIS §
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 433 §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 433 (the "District") met in regular session, open to the public, at Mischer Investments, 9 Greenway Plaza, Suite 2900, Houston, Harris County, Texas 77046, on April 11, 2018, at 11:30 a.m. whereupon the roll was called of the directors, to-wit:

Walt Doyle, President
Scott Forbes, Vice President
Jordan Williams, Secretary
Taylor Cavnar, Treasurer,
Louis R. Evans, Assistant Secretary

All members of the Board were present. Also attending all or parts of the meeting were Ms. Pam Lightbody of Avanta Services; Ms. Ana Duarte of Tax Tech, Inc. ("Tax Tech"); Mr. Jason Demel of Inframark ("Inframark"); Ms. Keli Schroeder and Mr. Ethan Demary of Brown & Gay Engineers, Inc. ("BGE"); Mr. Josh Fort of Champions Hydro-Lawn ("Champions"); Mr. Randy Corson of Mischer Investments, LP ("Mischer"), developer for the District; and Mr. Neil Thomas and Ms. Brenda Presser of Norton Rose Fulbright US LLP ("NRF").

The meeting was called to order and, in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as *Exhibit A*, the following business was transacted

1. **Minutes.** The President opened discussion as to the minutes of the meeting of March 14, 2018, previously distributed to the Board. Upon motion by Director Forbes, seconded by Director Evans, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of March 14, 2018, as presented.

2. **Tax Assessor and Collector Report and Payment of Bills**. The President recognized Ms. Duarte, who presented to and reviewed with the Board the Tax Assessor/Collector's report for March 2018, a copy of which is attached hereto as *Exhibit B*. She noted that to date the District had collected 99.1% of its 2017 taxes. Upon motion by Director Williams, seconded by Director Forbes, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Assessor/Collector's Report and to authorize the payment of the checks listed therein.

3. **Bookkeeper's Report and Payment of Bills**. The President recognized Ms. Lightbody, who presented to and reviewed with the Board the Bookkeeper's Report, and summary of cash transactions for the period of March 1, 2018, to April 11, 2018, copies of which are attached hereto as *Exhibit C*.

Ms. Lightbody stated that a final payment for $95,281.47 was made payable to Traf-Tex for installation of four signals from the District's road bond funds, which depletes these funds.

Ms. Lightbody discussed amending the budget because the District's tax rate is set and collected after the budget for the year is approved. She noted that the budget reflects a decrease in tax revenue because a pre-tax levy was used to calculate a proposed budget. She also noted that the

Board may consider adjusting the budget for utilities due to the street lights that have been added to the District. Ms. Lightbody will bring a proposed amended budget to the next meeting for the Board's review and consideration.

Upon motion by Director Forbes, seconded by Director Williams, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to authorize payment of the checks in the amounts and to the persons listed in the Report.

4. **Operations Report.** The President recognized Mr. Demel, who presented to and reviewed with the Board the Operator's Report for the month of March 2018, a copy of which is attached hereto as *Exhibit D.*

Mr. Demel reviewed a list of maintenance items performed in the District. He also noted that deposits will be applied to outstanding builder damages to offset monies due to the District.

Mr. Demel reported that since the last meeting 17 door hangers were distributed on delinquent accounts which have since been paid. He stated that three accounts were disconnected for non-payment. He reviewed with the Board a current list of delinquent accounts, a copy of which is attached to the Operations Report and requested the Board's authorization to write off one account.

Director Evans asked about costs for installation of a blow off, questioning the District's policy for pre-inspections and post-inspections. Mr. Demel reported that a builder covered the blow off previously installed. Director Evans discussed coordination with builders, in the future, to offset some of the costs for the District to perform repairs for relocation of facilities due to builder lot plans.

Upon motion by Director Williams, seconded by Director Forbes, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, and to authorize termination of delinquent accounts pursuant to the terms of the Rate Order.

5. **Engineer's Report**. The President recognized Mr. Demary, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit E.*

Mr. Demary reported that the collected speed data reflects high speeds on Brazos Sage at Meredith Springs Drive and that the speed limit can be reduced to 30 mph. She stated that BGE is required by Harris County to prepare an Engineering Memo for confirmation of sight distance restrictions and design speed recommendations. She stated the estimated engineering fees are $3,600. She requested the Board's authorization to prepare the required memo and coordinate with Harris County to obtain approval of the speed limit. The Board requested that BGE confirm if there have been five accidents within a 12-month period which would enable the District to install four-way stop signs instead of speed limit signs. Director Forbes stated that he will assist BGE with obtaining data for accidents to include with their report.

Mr. Demary requested the Board's authorization to advertise for bids for two additional 20,000-gallon hydro-tank at Water Plant Nos. 1 and No. 2.

Mr. Demary recommended approval for Pay Estimate No. 6 Final in the amount of $95,281.47 to Traf-Tex, Inc.

Mr. Demary reported that Harris County does not accept projects that have been constructed in phases until the last phase is complete. She stated that Cypress Creek Bend Drive was completed in 2014 and that BGE has been coordinating with Harris County to have the project accepted since 2015. She discussed two problem areas that are preventing acceptance of the project because these areas have settled and the fill did not hold. She reported that Tolunay-Wong tested the areas and the soil is not sufficient to hold and, therefore, the two sections will need to have the concrete removed

and appropriate soil to fill and the cost is estimated to be approximately $100,000.00. Mr. Demary requested that the Board authorize BGE to advertise for bids to implement the repairs. She noted that additional lab work will be required.

Mr. Demary reported that Harris County Municipal Utility District No. 500 ("500") has asked for an interconnection with the District. She stated that 500 has one water plant that distributes surface water to its customers with plans to construct a second water plant that will also be dedicated to surface water distribution, 500 does not have a well and does not plan to construct a well until 2020. Discussion ensued regarding the District's ability to service 500 in the event of an emergency, benefit to the District to have an interconnect with 500, and alternative options for 500 to receive water service during an emergency. It was the consensus of the Board to decline participation in an interconnect with 500.

Upon motion by Director Williams, seconded by Director Evans, after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Engineer's Report; (2) authorize BGE to collect the required data and submit to Harris County for approval to install four-way stop signs at Brazos Sage and Meredith Springs Drive; (3) authorize BGE to advertise for bids for two 20,000 gallon hydro-tank at Water Plant Nos. 1 and No. 2; (4) approve Pay Estimate No. 6 and Final in the amount of $95,281.47 to Traf-Tex, Inc.; and (5) authorize BGE to advertise for bids to make repairs on Cypress Creek Bend Drive for acceptance of the project by Harris County

6. **Report on Drainage Facilities.** The President recognized Mr. Fort, who presented to and reviewed with the Board the detention and drainage facilities report from Champions Hydro-Lawn, Inc., a copy of which is attached hereto as *Exhibit F*. Mr. Fort reviewed page 5 of his report regarding a coating on the water at IDC, which appeared to pollen that cleared without treatment. No action was taken by the Board.

7. **Proposal from Earthcare Management for maintenance of the median on Cypress Creek Parkway.** President Doyle reported that the POA advertised for bids for maintenance of approximately seven medians, including Cypress Plaza Parkway, that were higher than the District's cost. He noted that the POA has entered into a contract with EarthCare and that he requested that EarthCare prepare a contract for the District and transmit to NRF. He stated that NRF has not received the contract. No action was taken by the Board.

8. **Developer's Report.** Mr. Corson reported on remaining developer lots available to homebuilders and stated that Lifetime Fitness anticipates opening in June 2018.

9. **WHCRWA Board of Directors Election, Pct. 5.** The Board discussed casting its vote for a person to serve as a Director, Precinct 5, on the Board of Directors of WHCRWA, a copy of which is attached as *Exhibit G*. Upon motion by Director Forbes, seconded by Director Evans, after full discussion and the question being put to the Board, the Board voted unanimously to elect Mike Owens as Director for Precinct 5 board position with WHCRWA.

10. **Vote Proxy for the Build America Assurance Company Annual Meeting.** Mr. Thomas reported that the District has an insurer on its bonds and they have asked the District to vote on a slate of incumbent officers.

Upon motion by Director Williams, seconded by Director Forbes, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the President and Secretary to execute the Proxy for voting for the Build America Assurance Company Annual Meeting..

11. **Other Consultant Reports.** There were no other consultant reports.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on May 9, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 433