

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 433  
OCTOBER 10, 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 October 10, 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, thus constituting a quorum. Also attending all or parts of the meeting were Ms. Pamela Logsdon of Avanta Services; Ms. Ana Duarte of Tax Tech, Inc. ("Tax Tech"); Mr. Jason Demel of Inframark ("Inframark"); Ms. Keli Schroeder of Brown & Gay Engineers, Inc. ("BGE"); Mr. Josh Fort and Mr. Jerry Schroeder of Champions Hydro-Lawn ("Champions"); Mr. Randy Corson of Mischer Investments, LP ("Mischer"), developer for the District; and Mr. Neil Thomas and Ms. Jaquice Horton 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. **Ratify Actions of the Board at the Meeting of September 12, 2018.** The Board concurred to defer this item.

2. **Minutes.** The President opened discussion as to the minutes of the meeting of September 12, 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 September 12, 2018.

3. **2. Public Hearing on Tax Rate.** The President opened the hearing on the proposed 2018 tax rate. There were no comments on the tax rate from the public. The President closed the hearing.

4. **Adopt Order Setting Tax Rate and Levying Tax for 2018.** The Board reviewed the Order Setting Tax Rate and Levying Tax for 2018, a copy of which is attached hereto as *Exhibit B*. 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 adopt the Order Setting Tax Rate and Levying Tax for 2018, thereby levying a tax at a rate of \$1.20 per \$100 assessed valuation (\$0.5710 for debt service and \$0.6290 for operations and maintenance).

5. **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 October 10, 2018, a copy of which is attached hereto as *Exhibit C*. She noted that to date the District had collected 99.6% of its 2017 taxes. 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 accept the Tax Assessor/Collector's Report and to authorize the payment of the checks listed therein.

6. **Bookkeeper's Report and Payment of Bills.** The President recognized Ms. Logsdon, who presented to and reviewed the Bookkeeper's Report, and summary of cash transactions for the period of September 1, 2018 to October 10, 2018, copies of which are attached hereto as *Exhibit D*. Upon motion by Director Evans, seconded by Director Forbes, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, and to authorize payment of the checks in the amounts and to the persons listed in the Report.

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

Mr. Demel reported that Ontrack Services has not responded or remitted payment for builder damages. He requested that NRF send a demand letter to Ontrack Services.

Mr. Demel reported that since the last meeting, 25 door hangers were distributed on delinquent accounts of which four accounts were disconnected for non-payment and the remainder have since been paid.

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 Operations Report, and to authorize termination of delinquent accounts pursuant to the terms of the Rate Order.

8. **Discuss preparation of a bond application for expedited review and take appropriate action.** Ms. Schroeder discussed items for a bond application and reported that she has coordinated with the Financial Advisor to prepare the bond application for \$5,000,000. Discussion ensued. Upon motion by Director Evans, seconded by Director Forbes, after full discussion and the question being put to the Board, the Board voted unanimously to authorize BGE to prepare a bond application for expedited review.

9. **Adopt Resolution Declaring Official Intent to Reimburse Expenditures.** The Board reviewed a Resolution Declaring Intent to Reimburse Expenditures with Proceeds of Tax Exempt Obligations, copies of which are attached hereto as *Exhibit F*. Mr. Thomas discussed the District's ability to fund projects with funds from the General Operating Fund and reimburse the General Operating Fund with proceeds from a future bond sale under Federal Income Tax law. Upon motion by President Forbes, seconded by Director Evans, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution, as presented.

10. **Engineer's Report.** The President recognized Ms. Schroeder, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit G*.

Ms. Schroeder updated the Board on installation of hydro-pneumatic tanks at Water Plant Nos. 1 and 2. She requested approval of Change Order No. 1 for a net decrease of \$700.00 due to a change in the hydro-pneumatic tank slab design parameter.

Ms. Schroeder presented and requested approval of a proposal from Harris Construction in the amount of \$3,000.00 for punch list repairs on Cypress Creek Bend Drive.

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: (1) approve the Engineer's Report; (2) approve Change Order No. 1 for a net decrease of \$700.00 due to a change in the hydro-pneumatic tank slab design parameter related to installation of hydro-pneumatic tanks at Water Plant Nos. 1 and 2; and (3) approve a proposal from Harris Construction for \$3,000.00 and to authorize repairs on Cypress Creek Bend Drive.

11. **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 H*.

Directors Evans requested clarification as to why so many irrigation rotators needed replacing in the report. Mr. Fort explained reasons why the number of replacement rotators was probably high. Director Doyle asked Mr. Fort about billing for the summer months.

Mr. Fort reported on correspondence from two District residents concerning rodents that were seen coming out of the sewer system. Mr. Fort said that he and President Doyle followed up on this information and no rodents were seen. Mr. Fort suggested spraying the ditch with a pesticide to deter rodents. 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 of the report from Champions and authorized Champion to spray pesticide in the ditch areas.

12. **Developer's Report.** Mr. Corson updated the Board on commercial development.

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

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

\* \* \*

The foregoing minutes were passed and approved by the Board of Directors on November 14, 2018.

  
\_\_\_\_\_  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors

