

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 433
DECEMBER 12, 2018

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

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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 December 12, 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. Colette Garcia of McGrath & Co., PLLC; auditors for the District' Ms. Pamela Logsdon 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, Mr. Reggie Wilson 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 November 14, 2018, previously distributed to the Board. Upon motion by Director Forbes, seconded by Director Cavnar, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of November 14, 2018.

2. **Review and approve audited financials for fiscal year ended August 31, 2018.** Ms. Garcia presented to and reviewed with the Board an audit for the District's fiscal year ended August 31, 2018, a copy of which is attached hereto as *Exhibit B*. She noted the District has a clean audit with no issues or significant audit procedure changes.

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 approve the audit for fiscal year ended August 31, 2018, as presented, and to authorize filing of same with the TCEQ.

3. **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 December 12, 2018, a copy of which is attached hereto as *Exhibit C*. She noted that to date the District had collected 3.78% of its 2018 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.

4. **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 November 1, 2018 to December 12, 2018, copies of which are attached hereto as *Exhibit D*.

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, and to authorize payment of the checks in the amounts and to the persons listed in the Report.

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

Mr. Demel reviewed maintenance and repair projects.

Mr. Demel reported that since the last meeting, 22 door hangers were distributed on delinquent accounts. Five accounts were disconnected for non-payment and the remainder have since been paid. He requested the Board's approval to write off one account and send two accounts to collections.

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, to authorize termination of delinquent accounts pursuant to the terms of the Rate Order and authorize Inframark to write off one account and send two accounts to collections.

6. **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 F*.

Ms. Schroeder presented and requested the Board's approval of Pay Estimate No. 1 for \$216,945.00 to W.W. Payton for the hydro-pneumatic tank installations at Water Plant Nos. 1 and 2.

Ms. Schroeder reviewed the Summary of Costs for the District's seventh bond issue for \$5,000,000. A copy of the Summary of Costs is attached to the Engineer's Report. Mr. Thomas presented and requested approval of a Certificate for Order Authorizing Application for Expedited Consideration of Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds and Requesting Waiver of Certain Requirements of Texas Administrative Code, a copy of which is attached as *Exhibit G*. 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 approve the Engineer's Report the Order Authorizing Application for Expedited Consideration of Approval by TCEQ of Project and Issuance of Bonds as presented

President Doyle discussed repair of an electrical line that was previously damaged at the intersection of Cypress Bend Road and Tuckerton. The cause of the damage is unknown. He reported the estimated cost for repair is about \$5,000.00. Discussion ensued.

Upon motion by Director Cavnar, seconded by Director Forbes, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, approve payment of Pay Estimate No. 1 for \$216,945.00 to W.W. Payton for the hydro-pneumatic tank installations at Water Plant Nos. 1 and 2, and to approve the repair of the electrical line at the intersection of Cypress Bend Road and Tuckerton for an estimated cost of \$5,000.00.

7. **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*.

Mr. Fort reported on the status of IDC No. 5. He presented and requested approval of a proposal to desilt and reseed IDC No. 5 for a cost of \$8,200.00, a copy of which is attached to the report.

Mr. Fort reviewed and discussed the status of the Drainage Channel Phase I (the "Channel"). He presented and requested approval to desilt 1,050 linear feet of the Channel at a cost of \$38,900.00. Discussion ensued regarding flow issues at the Channel.

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 report on drainage facilities, and to approve the proposal to desilt and reseed IDC No. 5 for a cost of \$8,200.00.

The Board inquired about the need to obtain additional proposals for the Channel desilt due to the cost of the project. Discussion ensued. 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 authorize BGE to prepare specifications for proposals, if necessary, for desilting the Channel.

8. **Approve EarthCare Management Proposal.** President Doyle reported that an updated proposal from EarthCare Management for revised improvements to the District's lot on Sarah Lane was not received for the meeting. The Board deferred this matter until next month.

9. **Developer's Report.** Mr. Corson reported that Mischer has concluded residential development in the District.

Mr. Corson reported that an irrigation line was damaged at the turn lane to Lifetime Fitness, which was repaired by Wesco pursuant to the contract with the District at the time. He stated that the invoice was submitted to Lifetime Fitness to pay the remaining balance. He noted that Lifetime Fitness and a daycare both installed left turn lanes into their respective businesses on opposite sides of the street. Discussion ensued as to whether or not the District authorized such repairs and if the District was responsible for payment. Mr. Thomas stated that NRF will review the District's contract with Westco to determine if District is liable for any payment for the repairs performed by Westco for damage to the District's irrigation line.

10. **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 January 9, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

