

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 433
JANUARY 9, 2019

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 January 9, 2019, 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. 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 of Champions Hydro-Lawn ("Champions"); 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 December 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 December 12, 2018.

2. **Adopt Order Authorizing Exemptions from Taxation.** Ms. Duarte noted that the District currently grants an exemption of \$20,000 of appraised value to individuals in the District who are over 65 and over or disabled. Discussion ensued. 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 Authorizing Exemptions from Taxation, a copy of which is attached as *Exhibit B*

3. **Resolution authorizing additional penalty on delinquent taxes.** Ms. Presser presented a Resolution Authorizing Additional Penalty on Delinquent Taxes (the "Resolution"), a copy of which is attached hereto as *Exhibit C*. She noted that the District takes action annually to authorize the 20% penalty for payment of Perdue, Brandon, Fielder, Collins & Mott, LLP delinquent tax collection services, pursuant to the terms of the firm's contract with the District. 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 Resolution Authorizing Additional Penalty on Delinquent Taxes.

4. **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 January 9, 2019, a copy of which is attached hereto as *Exhibit D*. She noted that to date the

District had collected 12.49% 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.

5. **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 December 1, 2018, to January 9, 2019, copies of which are attached hereto as *Exhibit E*.

Ms. Logsdon asked the Board about payment of the invoice for repairs to an irrigation line from Westco. No action was taken, pending further discussion under item 12.

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.

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

Mr. Demel reviewed maintenance and repair projects.

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

Mr. Demel reported the District received a letter from Harris County Pollution Control regarding proposed e coli in the water system. He stated that Discharge Monitoring Reports and Effluent Monitoring Reports were submitted to Harris County evidencing no trace of e coli in the District's water system.

Ms. Schroeder and Mr. Demel discussed readings at the wastewater treatment plant reflecting amount higher than expected amount of effluent being processed through the wastewater treatment plant as it relates to the number of equivalent single family connections being served and historical flows. Discussion ensued regarding the meter readings being prior to backwashing and final effluent re-entering the plant. Discussion ensued. Mr. Demel stated that Inframark is coordinating with BGE to provide a resolution to this issue.

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

7. **Report on Eminent Domain filing.** Mr. Thomas reported that the District has eminent domain powers, and for the District to retain such powers, it is required to file an annual eminent domain activities report with the Texas Comptroller of Public Accounts. He stated that NRF has filed the report reflecting no eminent domain activities for 2018. No action is required by the Board.

8. **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*.

Mr. Thomas updated the Board on the bidding requirements pertaining to the discussion about bidding on desilting the District's drainage channels, as discussed last month. He reported on a utility

exception and parameters for obtaining pricing on projects. Discussion ensued and it was the consensus of the Board to request three quotes for desilting the drainage channels. Ms. Schroeder discussed the scope of the project and requiring contractors to request a quote from Champions, as a sub-contractor, for maintenance and re-stabilization since they currently maintain the District's drainage channels.

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 Engineer's Report.

9. **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*. There was no action taken by the Board.

10. **Consideration of Drainage Channel Phase 1 repairs.** This item was discussed under the Engineer's Report and no further discussion or action was taken by the Board.

11. **Approve EarthCare Management Proposal.** President Doyle reviewed updated proposals from EarthCare Management for revised improvements to the District's lot on Sarah Lane, a copy is attached as *Exhibit I*. Discussion ensued and the Board members requested that all park equipment items and a portion of landscaping items be removed. President Doyle stated that he will follow up with EarthCare to provide updated proposals consistent with the Board's requests.

12. **Consideration of Westco billing for irrigation damage.** President Doyle reported that he received a call from Westco requesting payment of the invoice for repair to an irrigation line that was damaged at the turn lane to Lifetime Fitness. Ms. Logsdon and Mr. Demel reported they had also received calls from Westco requesting payment for the same invoice.

Mr. Thomas reported that he has contacted Westco, left a message and has not received a return call. He said that the District's contract with Westco states that any work in which the cost exceeds \$250 will require Board authorization. No action was taken by the Board.

13. **Developer's Report.** There was no report presented to the Board.

14. **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 February 13, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

