

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 433
APRIL 10, 2019

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 April 10, 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, except Director Evans, thus constituting a quorum. Also attending all or parts of the meeting were Ms. Colette Garcia of McGrath & Co. PLLC, auditors for the District; Ms. Linda Hubble of Public Finance Group ("PFG"); Ms. Pamela Logsdon of Avanta Services; Ms. Ana Duarte of Tax Tech, Inc. ("Tax Tech"); Mr. Jason Demel of Inframark ("Inframark"); Ms. Kelli 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. **Acceptance of resignation of director.** President Doyle reported that Mr. Evans has asked to resign as a member of the Board of Directors. He stated that a candidate is under consideration.
2. **Qualification and appointment of director.** The Board concurred to table this matter pending presentation of a candidate.
3. **Election of Officers.** The Board concurred to table this matter pending appointment of director.
4. **Minutes.** The President opened discussion as to the minutes of the meeting of March 13, 2019, 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 March 13, 2019.
5. **Order Adopting and Authorizing Official Notice of Sale and Bid Form, Authorizing Distribution Thereof and of a Preliminary Official Statement and Authorizing Publication of Notice of Sale; and approving other related matters.** The President recognized Ms. Hubble, who presented to and reviewed with the Board a financial analysis supporting the new bonds, Preliminary Official Statement ("POS") and Notice of Sale, for the proposed sale of the District's Unlimited Tax Bonds, Series 2019, copies of which are attached hereto as *Exhibit B*. Ms.

Hubble reported that preliminary approval has been received from the Texas Commission on Environmental Quality ("TCEQ") for issuance of \$5,000,000 in bonds.

Mr. Thomas reviewed with the Board the Order Adopting and Authorizing Official Notice of Sale and Bid Form, Authorizing Distribution Thereof and of a POS and Authorizing Publication of Notice of Sale ("Authorizing Order"), a copy of which is attached as *Exhibit C*.

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 POS, the Notice of Sale, the Authorizing Order and authorize publication of the Notice of Sale, pending receipt of TCEQ's certified approval for the issuance of the bonds.

6. **Approve Continuing Disclosure Policy.** Mr. Thomas reported that the District covenants to submit a continuity of financial information and explained required disclosures. He stated that Underwriters are now requesting a specific written policy on continuing disclosure, a copy of which is attached 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 approve the Continuing Disclosure Policies and Procedures, as presented.

7. **Approve Auditor's representation letter.** Ms. Garcia explained the new requirement in auditing procedures relating to bond sales that requires an updated representation letter from the District to the auditor for the period from the District's fiscal year end until the sale of bonds. Mr. Thomas noted that the auditor has been providing its consent letter in the past, but is now required to receive an updated representation letter before consenting. 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 updated representation letter, as presented. A copy of the representation letter is attached as *Exhibit E*.

8. **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 April 10, 2019, a copy of which is attached hereto as *Exhibit F*. She noted that to date the District had collected 98.98% of its 2018 taxes. 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 Tax Assessor/Collector's Report and to authorize the payment of the checks listed therein.

9. **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 March 1, 2019, to April 10, 2019, copies of which are attached hereto 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 accept the Bookkeeper's Report, and to authorize payment of the checks in the amounts and to the persons listed in the Report.

10. **Operations Report.** The President recognized Mr. Demel, who presented to and reviewed with the Board the Operator's Report for the month of March 2019, a copy of which is attached hereto as *Exhibit H*.

Mr. Demel reviewed the maintenance and repair projects for the month.

Mr. Demel reported that since the last meeting, 39 door hangers were distributed on delinquent accounts, and 28 accounts were disconnected for non-payment. He requested the Board's authorization to send two accounts totaling \$669.61 to collections.

Mr. Demel noted the District's accountability is at 101% and the District is only receiving surface water.

Mr. Demel reported on correspondence from Lifetime Fitness requesting waiver of late fees on two accounts. Discussion ensued. The Board concurred to deny the request from Lifetime Fitness.

Mr. Demel noted the Identity Theft Report is included in the Operations Report and requested the Board's approval.

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, authorize transmittal of two accounts totaling \$669.61 to collections, and approve the Identity Theft Report.

11. **Review Water Conservation Plan and Drought Contingency Plan.** Mr. Thomas reported that the District is required to periodically review its Water Conservation and Drought Contingency Plans. He stated there are no recommendations for changes to either plan. Upon motion by Director Doyle, seconded by Director Forbes, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Resolution Reviewing Drought Contingency Plan and Making Desirable Changes Thereto and the Resolution Reviewing Water Conservation Plan and Making Desirable Changes Thereto, copies of which are attached as *Exhibits I and J*, respectively.

12. **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 K*.

Ms. Schroeder reported that two bids out of three were received on desilting of IDC. She said that BGE recommends awarding the contract to the lowest bidder, Champions Hydro-Lawn, for \$40,290.84. Discussion ensued.

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 and approve awarding a contract to Champions Hydro-Lawn for \$40,290.84 for desilting IDC.

13. **Accept conveyance of 3.828 acres.** Mr. Thomas reported that he is reviewing the environmental reports and requested that the Board table this matter. The Board concurred to table this matter.

14. **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 L*.

Mr. Fort reported on the capture of five nutria and one snake.

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 report on drainage facilities.

15. **Discuss KGA/DeForest proposed trail system and take appropriate action.** No proposal was received by the Board and the Board concurred to table this matter.

16. **Discuss fence and gate on Sarah Bluff lot.** President Doyle reported on feedback from District residents, discussions with school district official and the District's attorney regarding

installation of a gate to the fence on Sarah Bluff lot. He reported that school officials are not in favor of a gate due to liability issues. President Doyle provided the school district's requirements for access and schedule of times for opening and closings that the District would have to follow. Discussion ensued. The Board concurred that no gate should be installed on the District's property on Sarah Bluff.

17. **Developer's Report.** President Doyle reported that Mr. Corson had a conflict and was unable to attend the meeting. However, during President Doyle's conversation with Mr. Corson, he reported that no offers have been entertained on the remaining property and that the apartments are due to break ground in June or July.

18. **Other Consultant Reports.** The Board discussed changing the regular meeting date in June. It was the consensus of the Board to change the June meeting to Tuesday, June 4, 2019 at the regular time of 11:30 a.m. Ms. Hubble asked the closing of the bonds should be changed as well to correspond with the revised meeting. Mr. Thomas stated that will not be necessary and that the closing can remain on June 12, 2019.

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 8, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

