

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 433
JULY 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 July 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,
Vacant, Assistant Secretary

All members of the Board were present, except Director Cavnar, thus constituting a quorum. Also attending all or parts of the meeting were Mr. Mark McGrath of McGrath & Co., PLLC, auditor for the District ("McGrath & Co."); Ms. Pamela Logsdon of Avanta Services; Ms. Esther Flores of Tax Tech, Inc. ("Tax Tech"); Ms. Elizabeth Reeves, and Ms. Sabrina Alaquinez-Wallin of Inframark ("Inframark"); Ms. Keli Schroeder 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. **Qualification and appointment of director.** The Board tabled this matter.
2. **Election of Officers.** The Board tabled this matter.
3. **Minutes.** The President opened discussion as to the minutes of the meeting of June 4, 2019, previously distributed to the Board. 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 minutes of the meeting of June 4, 2019.
4. **Tax Assessor and Collector Report and Payment of Bills.** The President recognized Ms. Flores, who presented to and reviewed with the Board the Tax Assessor/Collector's report for July 10, 2019, a copy of which is attached hereto as *Exhibit B*. She noted that to date the District had collected 99.43% 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. **Authorize auditor to prepare an audit for fiscal year ending August 31, 2019.** Mr. McGrath reported that the District has engaged McGrath & Co. to perform audits, as requested, until the time that either party terminates the engagement. He requested the Board's authorization to prepare an audit for fiscal year ending August 31, 2019. He stated that the costs will remain the same as a last year, which is \$13,700.00 for the District and \$3,500.00 for the joint Water Plant audit. Upon

as a last year, which is \$13,700.00 for the District and \$3,500.00 for the joint Water Plant audit. Upon motion by Director Williams, seconded by Director Forbes, after a full discussion and the question being put to the Board, the Board voted unanimously to authorize McGrath & Co. to prepare the District's audit and the audit for the joint Water Plant.

6. **Bookkeeper's Report and Payment of Bills.** The President recognized Ms. Logsdon, who presented the Bookkeeper's Report, and summary of cash transactions for the period of June 1, 2019, to July 10, 2019, a copy is attached hereto as *Exhibit C*. Ms. Logsdon noted that, following preparation of the report for today's meeting, an invoice was received from McGrath & Co. for preparation of the "Agreed-Upon Procedures" for the District's Series 2019A Refunding Bonds. She noted this expenditure will appear on next month's report.

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.

7. **Adopt budget for fiscal year ending August 31, 2019.** Ms. Logsdon reported that the Texas Commission on Environmental Quality ("TCEQ") requires that the budget be adopted prior to the new fiscal year. She reviewed the budget for fiscal year ending August 31, 2020, a copy 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 budget for fiscal year ending August 31, 2020.

8. **Adopt budget for fiscal year ending August 31, 2018 for joint wastewater treatment plant shared with HCMUD 374.** Ms. Logsdon noted that a draft annual Joint Water Plant Operating Budget for Water Plant No. 1 was distributed to Harris County Municipal Utility District No. 374 ("374") in compliance with the terms of the Water Supply Agreement, as amended, a copy is attached as *Exhibit E*. Ms. Logsdon noted that no changes have been made since being presented to the Board last month..

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 budget for the joint Water Plant with 374 for fiscal year ending August 31, 2020.

9. **Operations Report.** The President recognized Ms. Reeves, who reviewed with the Board the Operator's Report for the month of May 2019, a copy of which is attached hereto as *Exhibit F*.

Ms. Reeves reviewed the maintenance and repair projects for the month.

Ms. Reeves discussed and reviewed proposed conservation messages to include with customer billing over the next three months and to add to the District's web site, a copy is attached as *Exhibit F-1*. Discussion ensued and the Board responded favorably to the suggested messages.

Ms. Reeves noted the District's accountability is at 95%, which accountability includes maintenance and flushing use.

Ms. Reeves reported that 45 delinquent letters were mailed in advance of this meeting and 26 accounts remain unpaid.

The Board discussed Water Smart events occurring prior to December 31, 2019. No action was taken by the Board.

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, to authorize termination of delinquent accounts pursuant to the terms of the Rate Order

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 discussed the next proposed bond issue in the proposed amount of \$7,500,000 and reviewed an analysis prepared by the Financial Advisor, which is attached to the Engineer's Report. She discussed potential capital improvement projects and proposed financing of the projects.

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.

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*. No action was taken by the Board.

12. **Developer's Report.** Mr. Corson updated the Board on the interest in commercial property and the status of Hines' development.

13. **Other Consultant Reports.** President Doyle recognized Mr. DeForest who presented a report and construction contracts for the Supplemental Walkway Improvements for \$113,897.00 by Classic Irrigation & Landscape, LLC, a copy is attached as *Exhibit I*. He stated the project is for a sidewalk on the south side of IDC 4 and 5 and was previously approved by the Board, pending confirmation from the contractor that initial bid price would be upheld. Mr. DeForest confirmed the contractor is holding the previously awarded bid and noted that NRF has reviewed the surety bonds. Upon motion by Director Forbes, seconded by Director Williams, after a full discussion and the question being put to the Board, the Board voted unanimously to authorize the execution of the construction contracts for the Supplemental Walkway Improvements on the south side of IDC 4 and 5.

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 August 14, 2019



President, Board of Directors

ATTEST:



Secretary, Board of Directors

