

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 172

Minutes of Meeting of Board of Directors

May 16, 2018

The meeting of the Board of Directors ("Board") of Harris County Municipal Utility District No. 172 ("District") was held at Houston National Golf Club, 16500 Houston National Blvd., Houston, Texas on May 16, 2018 in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Jerry M. Folmar, Vice President
Pat Burke, Director
Tom Russell, Director
Jerry Stenberg, Secretary/Investment Officer

and the following absent:

David T. Perkins, President.

Also present were Mr. Chris Hoffman, Ms. Donnise Hoffman operator for the District; Mr. Cory Burton, bookkeeper for the District; Ms. Patty Rodriguez, tax assessor/collector for the District; Mr. Stephen Swindell and Ms. Kaci Schlachter, engineers for the District; Mr. Mark Flynn; and Mr. G. Taylor Goodall, Jr, attorney for the District.

In the absence of the President, the Vice President called the meeting to order and declared it open for such business as might regularly come before it.

1. The Board considered the items on the Consent Agenda. After brief review and discussion, upon motion made by Director Stenberg, seconded by Director Burke, the Board unanimously approved the Consent Agenda as presented.

2. The Board acknowledged certification of the election of directors by cancellation of the May 5, 2018 directors election. Directors Stenberg, Folmar and Mark Flynn executed their oaths of office, statement of directors, and letters of representation, and the Board acknowledged the directors' qualifications to serve. Upon motion made by Director Burke, seconded by Director Russell, the Board accepted the Oaths of Office and included them under the Directors' Faithful Performance Bond. Directors Stenberg, Folmar and Flynn completed disclosure questionnaires indicating that they had no conflicts of interest to disclose to the Board of Directors. They also completed questionnaires regarding public access to certain information about them and confirmed that they had previously completed or will complete in the near future the necessary Open Meetings and Public Information Act training.

3. The Board considered the election of District officers. Upon motion made by Director Stenberg, seconded by Director Russell, the Board unanimously appointed Director Folmar as President of the Board of Directors. Upon motion made by Director Russell, seconded by Director Flynn, the Board unanimously appointed Director Burke as Vice President of the Board of Directors. Upon motion made by Director Folmar, seconded by Director Russell, the Board unanimously appointed Director Stenberg as Secretary of the Board of Directors. Upon motion made by Director

Burke, seconded by Director Flynn, the Board unanimously appointed Director Russell as Assistant Secretary of the Board of Directors.

4. The Board considered Public Comments. Micah Burson introduced himself as a new resident of the District.

5. The Board considered continuing discussions regarding the status of requests to Best Trash as previously discussed. It was noted that the District is still waiting on follow up from Best Trash and Director Stenberg agreed to make contact with Best Trash regarding the pending matters. Director Flynn noticed an improvement but noted that he is still concerned about the recycling bins in the streets.

6. Stephen Swindell and Kaci Schlachter presented the Engineer's Report, copy attached. Plans are approved and the District has received authorization from Harris County Municipal Utility District No. 156 ("No. 156") to advertise for bids for the West Road sanitary sewer line rehabilitation. Contracts will be executed by No. 156 Board at their June Board meeting with project completion scheduled for December 2018. Design continues for the water plants improvement project and the Board reviewed a summary of findings regarding the water plant inspection, specifically the condition of Ground Storage Tank No. 1 at Water Plant no. 1. The engineers are awaiting notification from the engineers of Harris County Municipal Utility District No. 155 regarding the regional WWTP rehabilitation inspection. The Board requested that Mr. Swindell review conditions surrounding an allocation from a 2014 Bond Issue regarding money for the Towne Lake lift station odor control system that was never expended.

7. Chris and Donnise Hoffman presented an operator's report, copy attached. The District accounted for 94.56% of water produced. Mr. and Mrs. Hoffman reviewed the 2017 Consumer Confidence Report which was subsequently authorized by the Board of Directors to be distributed in accordance with applicable law. In particular, the Board reviewed the City of Houston notice in the CCR and the Board was reminded that the annual CCR will be published via web address distribution. The operators then reviewed the regulatory and ongoing maintenance information with the Board of Directors. After discussion and upon motion made by Director Stenberg, seconded by Director Russell and unanimously carried, the Board authorized the District's operator to proceed with termination of utility service pursuant to provisions of the Rate Order and approved the operator's report as presented.

8. The Board considered water conservation matters. Mr. Goodall will confirm that the District's drought contingency plan is uploaded to the web portal and it was requested that Board members and the operator review the plans in advance of the next meeting. Directors Flynn and Russell will speak with the HOA's regarding water conservation.

9. The Board was presented with an Amendment to Agreement for Use of Water and Sewer Lines and Agreement for Use of Sewer Lines with Harris County Municipal Utility District No. 156. Mr. Goodall reported that No. 156 recently returned the signed agreement and upon motion made by Director Stenberg, seconded by Director Burke, the Board reaffirmed approval of the Agreement and authorized execution thereof.

10. It was reported the Mr. Hoffman will bring options for an outdoor facilities sign for the Jack Brooks Water Plant for review and discussion at the District's next Board of Directors

meeting. There was discussion regarding the possibility of delivering checks to the Board prior to the Board meeting to allow time for the Board members to review and sign and it was decided that the Board should coordinate any desire to do so with Cory Burton.

11. There was discussion as to whether District resources should be expended to have Directors attend related entities meetings and it was decided that no final decision should be made but the item should remain on the agenda. It was also noted that an item should be placed on the June agenda to consider whether it is advisable to reschedule the regular Board meeting to a different date and/or time.

There being no further business to come before the Board, the meeting was adjourned.

Secretary 