

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 172
Minutes of Meeting of Board of Directors
June 20, 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 June 20, 2018 in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

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

and the following absent:

None

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, engineer for the District; Mr. Ron Brooks, representing Chesmar Homes and Mr. G. Taylor Goodall, Jr, attorney for the District.

The 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 Burke, seconded by Director Stenberg, the Board unanimously approved the Consent Agenda as presented.

2. The Board considered Public Comments. After seeing none, the President continued with the agenda.

3. The Board considered matters associated with recent discussions regarding solid waste collection service provided by Best Trash. Mark Flynn noted that he is still concerned with recycling bins left in the street and it was noted that there were problems with the Thursday after Memorial Day collection service. In short, the Board noted that it is still concerned regarding service issues, particularly in the older portion of the District. Director Stenberg agreed to contact Best Trash representatives and request that Matthew May appear at the next board meeting.

4. Stephen Swindell presented the Engineer’s Report, copy attached. Mr. Swindell noted that the West Road sanitary sewer line rehabilitation bid will be approved by Harris County Municipal Utility District No. 156 (“No. 156”) at No. 156’s June Board of directors meeting. Plans for the water plant improvements are 90% complete. Peg Dawson provided an update on the progress of the Regional waster water treatment facilities

rehabilitation. There was discussion regarding the possibility of lift station modifications and allocating previously approved "odor control" funds for said modifications. Mr. Swindell will present cost assessments for said modifications at the July Board of Directors meeting. Director Folmar noted that he still needs answers to questions from the engineers regarding certain issues pertaining to the proposed water plant improvements. Subject to that discussion, upon motion made by Director Stenberg, seconded by Director Burke, the Board unanimously approved the engineer's report as presented.

5. Chris and Donnise Hoffman presented an operator's report, copy attached. The District accounted for 94.73% of water produced. The operator's replaced a hydro tank air line and reviewed lift station maintenance costs with the Board of Directors. A sink hole was repaired and the Annual Consumer Confidence Report was submitted. There was discussion regarding the placement of the Jack Brooks Water Plant plaque and upon motion by Director Burke, seconded by Director Russell, the Board approved moving forward with the installation of an 18x24 inch plaque. After discussion and upon motion made by Director Burke, 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.

6. Ron Brooks presented a developer's report. Mr. Brooks reported that Chesmar has successfully completed 57 sales year to date with an average sales price of \$293,000. It was noted that John Howell has discussed reimbursement with Mr. Brooks and individual Directors and that it is appropriate to begin the reimbursement process from cash on hand. Stephen Swindell agreed that he will begin the process of collecting the necessary data for reimbursement.

7. The Board considered matters associated with the Joint WWTP project. Peg Dawson requested that the Board be patient regarding the progress of the plant modifications and noted that cost had exceeded expectations.

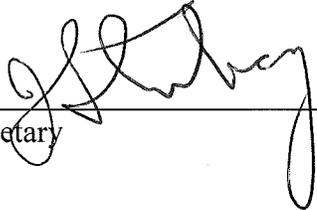
8. The Board discussed the possibility of moving the meeting time to accommodate the Directors' schedules. After deliberation, it was decided that the Board should make a final decision regarding moving the meeting time to the second Wednesday of the month at 3:00 p.m. beginning with the August 8, 2018 Board of Directors meeting. An item should be placed on the July Board of Directors agenda to confirm the permanent change to the meeting time.

9. The Board considered continued attendance and participation in related entities meetings. Director Folmar noted that he remains against Directors attending the related entities meeting with the exception of the quarterly wastewater treatment facility meeting. Director Russell noted that he feels that attending the related entities meetings is valuable as did Director Stenberg. Director Burke raised the possibility of ceasing to attend the related entities meeting at the conclusion of the joint wastewater treatment facility project. It was decided that the related entities meeting attendance shall continue for the time being.

10. The Board considered pending business. The status of completion of the fiscal year end 2017 audit was discussed and Director Burke requested that an item to discuss

landscaping at Water Plant No.1 be placed on the July Board meeting agenda. Chris Hoffman agreed to provide proposals for landscaping at Water Plant No. 1 at the July meeting.

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


Secretary