

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 172

Minutes of Meeting of Board of Directors

October 18, 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 October 18, 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 and Ms. Donnise Hoffman, operators for the District; Mr. Ron Brooks, representing Chesmar Homes, Mr. Cory Burton, bookkeeper for the District; Ms. Patty Rodriguez, tax assessor/collector for the District; Mr. Stephen Swindell, engineer for the District; and G. Taylor Goodall, Jr. of Smith, Murdaugh, Little & Bonham, L.L.P.

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 discussion and motion made by Director Burke, seconded by Director Stenberg, the Board unanimously approved the Consent Agenda as presented.

2. The President opened the floor for public comments, seeing none, the President continued with the agenda.

3. The Board declared a public hearing on the proposed 2018 tax rate open at 3:02 p.m. The President invited public comment, there was discussion regarding the tax rate and it was noted that the goal is to set a \$0.73 total tax rate comprised of \$0.51 debt service tax and \$0.22 operating and maintenance tax. At 3:03 p.m. the Board closed the public hearing. Upon motion made by Director Stenberg, seconded by Director Burke, the Board unanimously approved the Order setting the 2018 tax rate of \$0.73 and related documents.

4. The Board next considered developer reports. Mr. Ron Brooks, representing Chesmar Homes, noted that there are only five vacant lots in the Chesmar development. Mr. Brooks will continue to work with Mr. Swindell and the District's auditors and attorneys regarding reimbursement.

5. Stephen Swindell presented an engineer's report, copy attached. The notice to proceed was issued for the West Road service line rehab and Mr. Swindell noted that bids will be

available at the November Board of Directors meeting for the water plant improvement project. Mr. Swindell will verify that Harris County has inspected the roads within the Chesmar Homes development and schedule a TCEQ pre purchase inspection. The Board then reviewed the five year capital improvement plan and cash flow projections. Subject to further review and discussion, upon motion made by Director Burke, seconded by Director Russell, the Board unanimously approved the engineer's report as presented and the action items contained therein.

6. The Board considered the use of surplus funds. It was noted that a Surplus Funds Use Resolution shall be tabled until November to account for the bids for the water plant being available at that time.

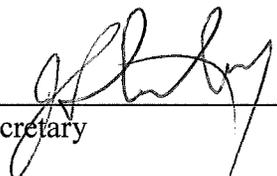
7. Chris and Donnise Hoffman presented an operator's report, copy attached. The Board reviewed the water plant landscape proposals and after discussion, upon motion made by Director Burke, seconded by Director Stenberg, the Board approved the Horizon proposal as presented for both improvements and monthly maintenance of the improvements. A blow off valve was replaced at 8322 Polished Stone and the Jack Brooks water plant sign was installed. The Board reviewed the issues surrounding the lift station pump repair and, upon motion made by Director Folmar, seconded by Director Burke, the Board unanimously approved moving forward with repair as opposed to replacement of the lift station pump if said repair includes rewiring the motor. The Board then approved a West Harris County Regional Water Authority Right Of Entry for installation of a smart meter at the District's water plant. 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.

8. The Board then considered renewal of the District's insurance. It was noted that the insurance company has yet to provide the renewal quotes but that they should be available at the District's November Board of Directors meeting.

9. The Board considered a Joint WWTP plant matters. Director Burke noted that he voiced his concern regarding the WWTP operations and expenditures by Harris County Municipal Utility District No. 155 ("No. 155") to representatives of No. 155 and would like the Board to consider having an audit of the Joint WWTP project performed upon completion of the project. Mr. Burke also reported that he expressed the need for No. 155 representatives to separate routine maintenance costs from capital improvement costs incurred during the Joint WWTP project.

10. It was noted that the District website shall be changed to list New Years Day as a holiday.

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

  
Secretary