

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 172

Minutes of Meeting of Board of Directors

April 18, 2019

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 April 18, 2019 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. Jim Denmon, Ms. Julia McCain, Mr. Chris Hoffman and Ms. Donnise Hoffman, operators for the District; Mr. Cory Burton, bookkeeper for the District; Mr. Stephen Swindell, engineer for the District; Patty Rodriguez, tax collector; 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 Consent Agenda. It was noted that there was a misspelling of Cory Burton’s name which was subsequently corrected. Upon motion made by Director Flynn, seconded by Director Russell, the Board approved the Consent Agenda.

2. Julia McCain presented a Fiscal Year End 2018 audit. Ms. McCain reviewed the audit with the Board and responded to the Board’s questions. There was a need to follow up with clarification of an issue regarding a developer reimbursement liability referenced in the audit. Ms. McCain promised to work with the other District consultants to provide an answer at a later date regarding said liability. Subject to that discussion, upon motion made by Director Stenberg, seconded by Director Flynn, the Board unanimously authorized finalization and filing of the Fiscal Year End 2018 audit.

3. The Board reviewed the Resolution Affirming Review of Investment Policy, Strategies, and Objectives, a copy of which is attached hereto. Mr. Goodall noted that, as required by the Public Funds Investment Act, the Board annually must review and either amend or affirm the District’s Investment Policy, Strategies, and Objectives. Upon motion made by Director Flynn, seconded by Director Stenberg, and unanimously carried, the Board approved the Resolution Affirming Review of Investment Policy, Strategies, and Objectives.

4. Mr. Goodall reported that District representatives will be completing the continuing disclosure documents and other required related annual filings.

5. Stephen Swindell presented an engineer's report, copy attached. Mr. Swindell noted that the water plant project will need a change order that should be presented at the next Board meeting. Mr. Swindell gave an update regarding the West Road sanitary sewer rehabilitation project and the Board authorized proceeding with water plant inspections. Mr. Swindell will coordinate various walk throughs of District facilities and it was noted that Jim Denmon, in attendance, shall make sure that Harris County Municipal Utility District NO. 155 ("No. 155") engineer, John Gerdis, keeps Mr. Swindell up to date regarding the joint wastewater treatment plant lift station project. Subject to that discussion, upon motion made by Director Russell, seconded by Director Flynn, the Board unanimously approved the engineer's report as presented.

6. Chris and Donnise Hoffman presented an operator's report, copy attached. The District accounted for 92.84% of water produced. The water plant landscaping project is complete as well as the ground storage tank valve project and the storm water pond maintenance. All commercial meters in need of repair and/or replacement are complete and the Board discussed line flushing plans with the operators. After discussion, upon motion made by Director Burke, seconded by Director Flynn, 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.

7. The Board considered the amended Rate Order. Mr. Goodall and Mr. Hoffman reviewed the proposed Rate Order changes with the Board and answered questions specifically raised by Director Burke. After further deliberation, upon motion made by Director Burke, seconded by Director Stenberg, the Board unanimously approved the Rate Order as presented and noted that it would become effective as of the April 23, 2019 billing cycle.

8. The Board then considered the Resolution for Adoption of Order Establishing Drought Contingency Plan. There was one change made to the penalty language in the Plan. Upon motion made by Director Burke, seconded by Director Flynn, the Resolution was adopted as presented.

9. The Board then considered the Water Conservation Plan. The Board reviewed the plan, and upon motion made by Director Russell, seconded by Director Flynn, the Board approved the Water Conservation Plan as presented.

10. The Board considered the joint wastewater treatment plant meeting. Director Burke gave a update regarding the meeting including the progress of the lift station and valve modifications project. Director Burke noted that it may be necessary to replace the bar screen in the future and further emphasized the need for the District's engineers to have input with the No. 155 engineer. Jim Denmon acknowledged Director Burke's request for greater input. It was noted that the capital forecast should be updated in accord with the upcoming joint wastewater treatment plant expenditures. There was discussion regarding rags accumulating in the system and the Board reviewed informational flyers.

11. The Board, in response to an issue raised by Director Burke, requested more information regarding the College District and School District's contribution for recent capital projects. Mr. Goodall noted that he had provided the engineers with the agreements between the District, College District and School District and that calculating any amounts owed to the District would begin.

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

Secretary 