

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 172

Minutes of Meeting of Board of Directors

July 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 July 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. Chris Hoffman and Ms. Donnice Hoffman, operators for the District; Mr. Cory Burton, bookkeeper for the District; Mr. Stephen Swindell, engineer for the District; Mr. Michael McCarthy; Mr. Travis Singleton; Mr. Bill Collier; Patty Rodriguez, tax collector; Peg Dawson 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. Director Burke requested information regarding legal fees for phone call answered by Dede Wyatt. Mr. Goodall provided a scope of work with a fee range of approximately \$5,000 per month. The Board reviewed a tax payer request for a waiver of penalty and interest due to an address mistake made by Harris County Appraisal District. Upon motion made by Director Stenberg, seconded by Director Burke, the Board unanimously approved granting a waiver of penalty and interest due. Upon motion duly made and seconded, the Board unanimously approved the Consent Agenda as presented.

2. The Board briefly discussed customer requests to place habitats in District ponds. Mr. Goodall advised that they would likely need District and HOA permissions. Stephen Swindell relayed that he didn’t note a strong objection. Director Folmar will follow up with the resident who requested the habitats.

3. Stephen Swindell and Michael McCarthy presented an engineer’s report, copy attached. The engineers reported on the status of the water plant No. 1 improvement project, presented Pay Estimate No. 4 in the amount of \$15,480.00 and recommend approval therewith. More testing has occurred on the manhole coatings for the West Road sanitary sewer rehabilitation project. The engineers will notate extra expenses that have occurred as a result of contractor delays. The engineers continue to work with the operator on SWQ permits. Upon

motion made by Director Russell, seconded by Director Burke, the Board unanimously approved the engineer's report and the action items contained therein.

4. Chris and Donnice Hoffman presented an operator's report, copy attached. After noting that the District accounted for 91.45% of water produced, Mr. Hoffman pointed out certain meters to be investigated further based on usage history. A tapline leak has been repaired. The operators provided correspondence from Mueller representatives for upgrades to the system. Director Burke noted frustrations that the Mueller system never worked properly, specifically the provisioned consumption alert. The Board agreed to have a special meeting to discuss further with Mueller representatives and the proper authority. Mr. Hoffman will work to schedule a special meeting. The operators reviewed proposals for bulletin boards but the Board declined action on the bulletin boards at this time. Director Flynn noted that the water bill due dates for July were printed wrong. The operators will provide more information regarding paperless billing. After discussion, upon motion duly made and seconded, the Board unanimously 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.

5. The Board reviewed proposed changes to the District's contract with the operator for services with Mr. Hoffman, including the proposed effect on bills. In response to input by Director Burke, Mr. Hoffman offered to provide additional monthly effect analysis at the next meeting and the Board tabled the issue until the next meeting.

6. The Board discussed the 5th year Arbitrage Rebate Report for Series 2014 Refunding Bonds. After discussion, upon motion duly made and seconded, the Board authorized preparation of the report.

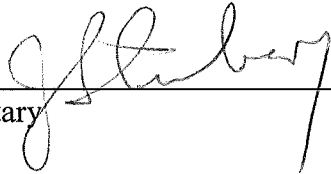
7. Travis Singleton, from Towne Lake HOA introduced Bill Collier and reviewed a presentation advocating for the placement of fish habitats within District lakes. The Board authorized Mr. Collier to do an initial survey of the District ponds at no cost to the District. Director Flynn wondered whether Mr. Singleton & Mr. Collier would help the other portions of the District if the other HOAs would provide financial backing. After brief discussion, upon motion made by Director Burke, seconded by Director Flynn, the Board agreed to keep the item on the agenda.

8. Director Burke presented an update regarding the joint sewage treatment plant. Director Burke reported that most capital and repair items from list previously discussed have been completed. After reviewing the draft budget, it is possible the District's share may have increased for the next fiscal year based on usage. Director Burke and Mr. Swindell received a copy of a ten year WWTP CIP. Director Russell noted he was impressed by the new operator for the joint plant.

9. Director Stenberg noted he attended Harris County Municipal Utility District No. 156's ("MUD 156") Board meeting and reported that MUD 156 had 112% accountability. Mr. Hoffman will check the interconnects. Director Russell noted that he attended the Towne Lake water conservation meeting and gave an update on discussion regarding multi-district water conservation efforts.

10. Mr. Goodall distributed memos regarding legislative changes to Open Government laws applicable to Directors.

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


Secretary