

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors
March 9, 2010

The Board of Directors ("Board") of Harris County Municipal Utility District No. 1 ("District") met at 1100 Louisiana Street, Suite 400, Houston, Texas, on March 9, 2010 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Doug Caldwell, Jr., President
Craig C. Young, Vice President
Raymond Kelley, Secretary
Greg Vratil, Director
Gus Gustafson, Director

and the following absent:

None

Also present were Mr. Mike Potter of Hays Utility Service, Ms. Vickey Sullivan of Equi-Tax, Inc., Ms. Mary Ann Mihills of McLennan & Associates, LP, Mr. Erik Spencer of Van De Wiele & Vogler, Inc., Mr. Ron Walkoviak of Development Consultants Inc., and Mr. James D. Bonham, attorney for the District.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. The Board considered the minutes of the meeting of February 9, 2010, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board then recognized Ms. Mary Ann Mihills who presented the attached bookkeeper's report. The Board considered invoices presented by the bookkeeper and reviewed a schedule of District investments. The Board also reviewed the general fund budget comparison of actual versus budgeted revenues and expenditures. The Board discussed the District's accounting for the North Harris County Regional Water Authority fees. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

3. The Board then reviewed the tax assessor-collector's report reflecting the 2009 taxes to be 91.8% collected. The Board reviewed a schedule of delinquent taxes and a schedule of disbursements from the tax account. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks drawn on the tax account.

4. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 1,752 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 87.5% of the water pumped during the

previous month had been accounted for. The operator reported on the operation of water plant no. 1, water plant no. 2 and the wastewater treatment plant and advised that there were no waste discharge permit violations during the reporting period. Mr. Potter reported on repair of a water line and presented a proposal for cutting trees at the sewer treatment plant site. The Board considered the matter and accepted the proposal as presented. The operator reported on his effort to obtain information with respect to electronic-read meters and advised that the valve survey is ongoing. The Board also reviewed the billing and collections data which appears in the report. Upon motion duly made, seconded and unanimously carried, the Board approved the operator's report and authorized termination of services to all customers appearing on the delinquent list.

5. The Board then recognized Mr. Erik Spencer who presented the engineer's report. Mr. Spencer advised that the county had approved the Wimbledon Country drainage plans and that the contract would be awarded to Rebel Construction upon approval by the City of Houston. The Board discussed the project and agreed to hold a meeting in the District on Wednesday, March 31, 2010 to present the drainage project to the residents of Wimbledon Country and Wimbledon Falls subdivisions. It was also agreed that a letter inviting the residents to the meeting be mailed as soon as possible. The Board reviewed and approved pay applications as reflected in the report and discussed a landscape buffer on the Braun Enterprise property. The Board discussed the matter and agreed to obtain a proposal for preparing an appraisal of the property from Integra Realty Resources. Director Young abstained from the discussion and vote with respect to the appraisal. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

6. The Board then considered a proposed contract with the Texas Network for design of a website, and upon unanimous vote, the contract was approved and executed.

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



Secretary