

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested members of the public that the Board of Directors of the captioned district will hold a public meeting at **2727 Allen Parkway, Suite 1100**, Houston, Harris County, Texas. The meeting will be held at **12:30 p.m. on Tuesday, March 14, 2017.**

The subject of the meeting is to consider and act on the following:

1. Minutes of Board of Directors Meeting(s)
2. Bookkeeper's Report; Checks and Invoices; Investment of District Funds; General Fund Budget; Depository Pledge Agreement(s)
3. Tax Collections; Tax Rate; Tax Exemptions; Estimate of Value
4. Operator's Report; Operation, Maintenance and Repair of District Facilities; Rate Order; Water Well Permits; Waste Discharge Permit; Consumer Confidence Report; Customer Appeals; Termination of Service on Delinquent Accounts
5. Engineer's Report; Design of Facilities; Advertisement for Bids; Construction Contract(s), Pay Estimate(s) and Change Order(s); Annexation of Land; Permit Matters; Proposal(s)
6. Developer's Report; Utility Financing and Reimbursement Agreement; Collateral Assignment; Utility Commitments; Waiver of Special Appraisal
7. Other Matters: District Website; Parks and Recreational Facilities; Detention Pond Maintenance and Mowing; Insurance; Consultant Contracts; Contract for Electric Power; Strategic Partnership Agreement; Law Enforcement Services and Contract; Contract for Solid Waste Collection Service; Engage Auditor; Audit Report; Application to Texas Commission on Environmental Quality; Water Conservation Plan; Drought Contingency Plan; Continuing Disclosure; Issuance of Bonds; Elections
8. Pending Business



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James D. Bonham  
Attorney for the District

# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors  
February 14, 2017

The Board of Directors ("Board") of Harris County Municipal Utility District No. 1 ("District") met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on February 14, 2017 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  
James Roberson, Secretary  
Danny Brown, Director

and the following absent:

None

Also present were Mr. Howard Wilhite and Mr. Mike Potter of Hays Utility South Corporation, Mr. Vaughn Vratil, a resident of Wimbledon Country Subdivision, Mr. Michael Murr of Murr Incorporated, Mr. Duane Iselt of Flair Builders, Mr. David Aitken and Mr. Caleb Estes of Blue Umbrella, Mr. Cory Burton of Municipal Accounts & Consulting, Mr. Erik Spencer of Van De Wiele & Vogler, 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 then discussed the vacancy on the Board and Mr. Vaughn Vratil was introduced. Mr. Vratil expressed his interest in serving on the Board and provided a brief summary of his experience, as well as service on the Wimbledon Country Homeowners' Association Board. After discussion, upon unanimous vote, the Board appointed Mr. Vaughn Vratil as a director to fill the vacancy. Mr. Vratil executed an Oath of Office and Statement of Directors, as well as other qualifying documents and served for the remainder of the meeting.

2. The Board considered the minutes of the meeting of January 10, 2017, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

3. The Board then recognized Mr. Cory Burton 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 for the fiscal year ending September 30, 2017. Mr. Burton presented an arbitrage report from Arbitrage Compliance Specialists reflecting no payment obligation due the Internal Revenue Service. The bookkeeper also discussed with the Board the District's existing power contract which expires in May, 2019. The Board considered participation in a pooled contract which would extend the District's power contract to

the year 2023 or 2024 and agreed to participate on terms to be established at a later date. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

4. The Board then considered the attached order engaging a delinquent tax attorney and levying an additional 20% penalty on 2016 taxes which remain delinquent on July 1, 2017. After review and discussion, the Board engaged the delinquent tax attorney and adopted the attached order levying the penalty.

5. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,754 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 87.38% of the water pumped during the previous month had been accounted for. The operator reported on the operation of water plants no. 1 and no. 2 and wastewater treatment plants no. 1 and no. 2 and advised that there were no waste discharge permit violations during the reporting period. Mr. Potter discussed with the Board complaints about odor in the area of sewage treatment plant no. 1 and advised that he had discussed the matter with a number of residents and the results were inconclusive. The Board considered whether the odor may be emanating from a lift station, and it was agreed that the operator engage a lab to test in the area of the lift station provided the testing can be done at a cost of \$1,000 or less. 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 account list in accordance with the District's Rate Order.

6. The Board then discussed the District's Rate Order and the provision of penalties therein, and upon unanimous vote, the Board adopted an amended Rate Order and authorized the attorney to publish notice of adoption of penalties as required by law.

7. The Board then considered the attached Resolution Affirming Identity Theft Prevention Program and confirmed with the operator that the program is in place and is being properly administered. After discussion, upon unanimous vote, the resolution was approved by the Board.

8. The Board then discussed the reconciliation of revenues and expenses related to the North Harris County Regional Water Authority and agreed that additional discussion should be had with the District's auditor to make the reconciliation clear.

9. The Board then recognized Mr. Erik Spencer who presented the engineer's report. The Board approved the pay applications which appear in the report, as well as change order no. 1 on the underground utility construction contract for Lakes at Creekside, Section 3. The Board agreed to include the removal of bricks in the District's proposed bond application but to exclude the removal from the change order pending approval by the Texas Commission on Environmental Quality. The Board reviewed the other items which appear in the written report. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

10. The Board then recognized Mr. David Aitken who presented the Blue Umbrella communications report and discussed with the Board establishment of email addresses

for each director to receive correspondence related to the District, including monthly reports. The Board reviewed the cost of the program and agreed to establish the email addresses. Mr. Aitken also reported seven additional subscribers to the SMS messaging service.

11. The Board then recognized Mr. Michael Murr who discussed preliminary plans to construct parks and trails in the District. The Board reviewed various alternatives and requested Mr. Murr provide estimated pricing on several proposed trails around detention facilities in the District.

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

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Secretary