

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors  
November 8, 2016

The Board of Directors ("Board") of Harris County Municipal Utility District No. 1 ("District") met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on November 8, 2016 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  
Richard "Chip" Callegari, Secretary  
James Roberson, Director  
Danny Brown, Director

and the following absent:

None

Also present were Mr. David Smalling of R. W. Baird & Co., Mr. Simon Vandyk of Blue Umbrella, Mr. Mike Potter of Hays Utility South Corporation, 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 considered the minutes of the meeting of October 11, 2016, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.
2. 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, 2016. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.
3. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,728 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 90.63% 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. 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.

4. The Board considered a resolution requesting the Harris County Appraisal District provide an estimate of taxable value in the District, and upon unanimous vote, the resolution was approved by the Board.

5. The Board then considered an order adopting a Records Control Schedule, as well as a Declaration of Compliance, and upon unanimous vote, the Board approved the order and declaration and authorized submission to the Texas State Library and Archives Commission.

6. The Board then reviewed an analysis of a possible refunding of a portion of the District's outstanding bonds which would result in a net present value savings to the District. After discussion and analysis, upon unanimous vote, the Board authorized sale of the bonds on a parameters basis with the requirement that the net present value savings exceed 5% and further that the President, Vice President or Secretary of the Board is authorized to execute the Approval Certificate, including approval of the par amount of the Bonds, interest rates and maturity schedule as well as other terms of the Bonds not to exceed \$6,500,000, within three months of the date of the meeting. The Board also designated Raymond James as underwriter. The Board considered the Preliminary Official Statement and Official Statement to be completed upon execution of the Approval Certificate, as well as the Bond Order, Paying Agent/Registrar Agreement and numerous certificates and documents necessary to cause the Bonds to be approved by the Attorney General, issued and delivered to the purchaser, and upon unanimous vote, all documents were approved by the Board. The financial advisor also discussed with the Board that a possible more favorable financing structure may be a private placement, and upon unanimous vote, the Board authorized the financial advisor to proceed with a private placement provided the parameters listed above are achieved.

7. The Board then recognized Mr. Simon Vandyk who reported on the mailing of an information flyer to the District's residents, as well as the status of subscription to the District's newly established alert program. The Board discussed additional services which may be provided by Blue Umbrella and agreed to consider the matter further at a future Board meeting.

8. The attorney for the District then discussed with the Board the requirement to file a report regarding the District's eminent domain authority with the State Comptroller of Public Accounts, and upon unanimous vote, the report was approved by the Board and the attorney was authorized to file the report as required by law.

9. The Board then recognized Mr. Erik Spencer who presented the engineer's report. The engineer reported on installation of the generator at wastewater treatment plant no. 2, as well as the plans for the Saddlebrook lift station improvements. Mr. Spencer reported that Harris County Flood Control had agreed to repair sinkholes in the drainage channel as discussed by the Board and advised that he had requested a proposal from Landscape Images to trim trees and shrubs along the Seber swale. Mr. Spencer also reported that Environmental Allies will inspect the drainage channel prior to the next Board meeting. The engineer reported on the status of the history of the Wimbledon Country drainage summary to be posted on the District's

website, as well as the status of the engineering report for the District's bond application. The engineer reported on acquisition of a site for water plant no. 4 and reported that the underground utilities to serve Lakes at Creekside, Section 3 is substantially complete. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

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

  
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Secretary