

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors  
April 14, 2015

The Board of Directors ("Board") of Harris County Municipal Utility District No. 1 ("District") met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on April 14, 2015 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Doug Caldwell, Jr., President  
Richard "Chip" Callegari, Secretary  
James Roberson, Director  
Shaun Hebert, Director

and the following absent:

Craig C. Young, Vice President

Also present were Mr. Duane Iselt of Flair Builders, Mr. David Smalling of R.W. Baird & Company, Mr. Mike Potter of Hays Utility Service, Ms. Mary Lutz of McLennan & Associates, LP, Mr. Erik Spencer of Van De Wiele & Vogler, Inc., Mr. Ron Walkoviak of Lakeview Land Group, LLC, 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 March 10, 2015, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board then recognized Ms. Mary Lutz 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 9/30/2015. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

3. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2014 taxes are 97.06% collected.

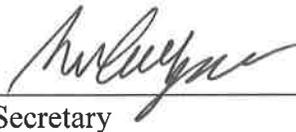
4. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,556 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 91.74% of the water pumped during the previous month had been accounted for. The 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.

5. The Board then recognized Mr. Erik Spencer who presented the engineer's report. The Board approved all pay applications reflected in the report, as well as change order no. 2 to the clearing contract for Lakes at Creekside. The Board reviewed a bid tabulation for clearing and grubbing Lakes at Creekside, Sections 3, 4 and 5, and upon unanimous vote, the Board approved award of the contract to the low bidder, TFR Enterprises, Inc., with a base bid in the amount of \$157,656. The Board then discussed the District's proposed bond application and considered alternatives for the projects to be included in the cost summary. After discussion, upon unanimous vote, the Board agreed to include the Preserve at Northampton and all facilities under construction or completed, including Lakes at Creekside, Sections 1 and 2. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

6. The Board then discussed the District's dealings with AO Design, and upon unanimous vote, it was agreed that all dealings with AO Design be terminated and that the proposal from Blue Umbrella be accepted as presented.

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

  
Secretary