

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors  
September 13, 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 September 13, 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 Ms. Shanna Lopez of Waste Management, Mr. Duane Iselt of Flair Builders, Mr. David Aitken and Mr. Simon Van Dyk of Blue Umbrella, Mr. Kevin Atkinson of Texas Pride, Mr. Matthew May of Best Trash, Mr. David Smalling of R. W. Baird & Co., representatives of Prime Shopping Center Development, Inc., 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 August 9, 2016, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board then recognized Ms. Shanna Lopez of Waste Management, Mr. Matthew May of Best Trash, and Mr. Kevin Atkinson of Texas Pride Disposal, each of whom presented a list of qualifications for solid waste collection services and discussed with the Board the schedule and terms upon which his or her proposal for services has been submitted. The contractors responded to a number of questions from the Board, and the Board thanked each representative for their interest in the District.

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, 2016. 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 resolution adopting a general fund budget for the fiscal year ending September 30, 2017, and upon unanimous vote, the budget was approved by the Board.

5. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2015 taxes are 98.95% collected.

6. The Board recognized Mr. David Smalling of R. W. Baird & Co. who presented a recommendation with respect to the District's 2016 tax rate. The Board discussed the matter, and upon unanimous vote, the Board authorized publication of notice of a public hearing to be held at the next regularly scheduled Board meeting to consider a debt service tax rate of \$0.57 and a maintenance tax of \$0.23 for a combined total of \$0.80 per \$100 assessed valuation.

7. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,723 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 94.05% 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. Mr. Potter presented a request for a water bill adjustment on the Quintanilla account. The Board reviewed the circumstances related to the matter, and the operator confirmed that the water meter has been checked and is reading accurately. After discussion by the Board, upon unanimous vote, the Board agreed that no adjustment would be appropriate but that Mr. Quintanilla should be allowed to make payments on the outstanding balance in three roughly equal installments. 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.

8. The Board then recognized Mr. Erik Spencer who presented the engineer's report. The engineer presented a proposal from Landscape Images of Texas to trim trees and shrubs along the Seber swale for \$3,200. Mr. Spencer also advised that Landscape Images had provided a verbal quote to remove three additional fallen trees for a price of \$1,050. After discussion, both proposals were accepted by the Board. The Board discussed the history of the Wimbledon Country drainage improvements and agreed that prior to posting on the District's website, certain revisions would be suggested by Director Young. Mr. Spencer reported on the status of preparation of the engineer's report for the District's anticipated bond application. The engineer reported on the status of development of Lakes at Creekside Subdivision, including pay application no. 4 on the clearing and grubbing of Sections 3, 4 and 5. The Board executed a letter to Harris County regarding maintenance of detention ponds D, E and G. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

9. The Board then recognized representatives of Prime Shopping Center Development, Inc. who introduced themselves and reported on a proposed retail shopping center

development in the District. The Board requested elevations of the proposed center be forwarded to the District's attorney for distribution to the Board.

10. The Board then recognized representatives of Blue Umbrella who discussed with the Board the responsibility of Blue Umbrella for maintenance of the District's website, including the party responsible for responding to customer inquiries. After discussion, the Board approved a communications and maintenance agreement with Blue Umbrella with revisions to exclude responsibility for information technology related equipment at the District's facilities.

11. The Board then discussed proposals for solid waste collection services, and upon unanimous vote, the Board agreed to give notice of termination of the contract with Waste Management effective December 31, 2016 and to engage Texas Pride on a five-year contract effective January 1, 2017.

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



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Secretary