

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1**

Minutes of Meeting of Board of Directors

July 11, 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 July 11, 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  
Vaughn Vratil, Director

and the following absent:

None

Also present were Mr. David Smalling of Robert W. Baird & Co., Mr. Mike Potter of Hays Utility South Corporation, Ms. Cara Sliva and Mr. Cory Burton of Municipal Accounts & Consulting, Mr. Simon Van Dyk of Blue Umbrella, Mr. Michael Murr of Murr Incorporated, 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 recognized Mr. David Smalling who reviewed the results of the District's refunding bond sale reflecting in excess of 8% net present value savings.

2. The Board considered the minutes of the meeting of June 13, 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. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

4. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2016 taxes are 98.59% collected.

5. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,775 total connections in the District. The Board reviewed the water

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production and consumption data, and it appeared that 91.59% 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 discussed the Association of Water Board Directors Water Smart Program and requested the operator provide the program materials and guide the District through the process for qualification. 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 recognized Mr. Erik Spencer who presented the engineer's report. The Board approved change order no. 1 on the Saddlebrook lift station project and accepted a proposal from Fencecrete for repair of the fence at the site. Mr. Spencer reported on plans for water plant no. 4 and presented change order no. 1 and pay application no. 2 on the Lakes at Creekside detention ponds D, E and G project, both of which were approved by the Board. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

7. The Board then recognized Mr. Simon Van Dyk who discussed with the Board preparation of the memorandum regarding website compliance and suggested the District consider upgrading the protocols on its website. The Board discussed the matter, as well as all services provided by Blue Umbrella, and requested Mr. Van Dyk contact Director Roberson prior to exceeding a fee of \$1,000 per month.

8. Director Young then reviewed with the Board the law enforcement report for the previous month.

9. The Board then recognized Mr. Michael Murr and reviewed the priorities for park and trail improvements in the District. The Board established its priorities and requested Mr. Murr provide a revised cost analysis, as well as an individual exhibit for each proposed park or trail.

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

  
Secretary