

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors  
March 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 March 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  
Vaughn Vratil, Director

and the following absent:

None

Also present were Constables George Beck and Kenny Cook, Mr. David Smalling of R. W. Baird & Co., Mr. Simon Van Dyk and Mr. Calep Estes of Blue Umbrella, Mr. Mike Potter and Mr. Howard Wilhite 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 February 14, 2017, 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, 2017. The Board reviewed correspondence from the North Harris County Regional Water Authority regarding an increase in the pumpage fee effective April 1, 2017. The Board also reviewed a proposed budget for park projects and agreed to consider the budget in its future park planning. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

3. The Board then recognized officers from the Harris County Constable's Office who reported on the law enforcement activity in the District since the last meeting. The Board discussed the report and thanked the Constables for their service.

4. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,757 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 82.26% 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 water accountability figure and reviewed the reconciliation of North Harris County Regional Authority revenues and expenses. The Board authorized the operator to engage Accurate Meters to perform a water leak detection test and further confirmed the accuracy of all commercial meters, as well as the water well meters. The Board also authorized the operator replace all meters registering 1.5 million gallons or more. The operator was instructed to obtain a proposal from Accurate Meters and review the proposal with Director Caldwell prior to proceeding. 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 engineer reported that the generator has been installed at wastewater treatment plant no. 2 and that upon receipt of gas service the generator will be tested. The Board reviewed a bid tabulation for the Saddlebrook lift station upgrades, and upon unanimous vote, the Board authorized award of the bid to the low bidder, Peltier Construction, with a bid in the amount of \$49,481. The engineer reported that following correspondence by the District's attorney and personal contact by Director Young, Harris County Flood Control District has agreed to repair the sinkhole in the M109 channel in early April. The engineer presented a bid tabulation for construction of detention ponds D, E and G in Lakes at Creekside, and upon unanimous vote, the Board authorized award to the low bidder, Sonora Construction, with a bid in the amount of \$1,090,900. The Board also approved change order no. 2 to the R Construction contract for underground utilities in Saddlebrook Village, Section 3. The Board acknowledged receipt of notice from the Texas Commission on Environmental Quality of expiration of the District's waste discharge permit, and Mr. Spencer advised that he will submit the renewal application as required by the TCEQ rules. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

6. The Board then recognized Mr. Simon Van Dyk of Blue Umbrella who discussed with the Board a proposed communications policy, as well as email addresses for submission of invoices and reports. The Board discussed the matter and agreed that all invoices should be submitted to the "reports" email address and all communication with directors submitted to the "Board" email address.

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

  
Secretary