

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors
May 10, 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 May 10, 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:

Shaun Hebert, Director

Also present were Mr. David Smalling of R. W. Baird & Co., Mr. Danny Brown of Wimbledon Falls, Mr. Caleb Estes 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 April 12, 2016, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The President of the Board then executed a Certificate of Election indicating that Director Young was elected without opposition to serve an additional four-year term on the Board. The newly elected director presented his Statement of Appointed/Elected Officer and Letter of Qualification. The President then administered the Oath of Office. The Board accepted the Oath of Office, and the newly elected director participated in the remainder of the meeting. The Board also acknowledged that Director Young had completed a conflicts disclosure questionnaire.

3. The Board discussed election of officers, and upon unanimous vote, the Board agreed to maintain the same slate of officers with no changes.

4. The Board acknowledged the vacancy on the Board resulting from the expiration of the term of Director Shaun Hebert. The Board considered appointment of a director to fill the vacancy, and upon unanimous vote, the Board adopted the attached order appointing Mr. Danny Brown to fill the vacancy. Mr. Brown took an Oath of Office and

executed a Statement of Directors and such other documents as are necessary to participate as a director of the District.

5. 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.

6. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,717 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 93.41% 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. Mr. Potter presented the summary of the North Harris County Regional Water Authority revenues and expenses and presented the Consumer Confidence Report for the Board's review. After discussion, upon unanimous vote, the Consumer Confidence Report was approved by the Board. 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. The Board also authorized a schedule of delinquent accounts to be written off as uncollectible.

7. The Board then recognized Mr. Erik Spencer who presented the engineer's report. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report. The Board discussed the rain event which occurred on April 15 and the impact within the District's boundaries, including flooding of approximately five homes in the Wimbledon Country area. The Board discussed the major capital expenditure related to the last flood event experienced in the District and requested the engineer compare the two rain events to determine the effectiveness of the infrastructure. The Board authorized advertisement for bids for the wastewater treatment plant no. 2 generator and Saddlebrook lift station improvements. Mr. Spencer presented a request from a resident at 8714 Headstall to install a fence across a drainage reserve. The Board considered the matter and instructed the engineer to advise the homeowners' association that the District is responsible for maintenance of the drainage reserve, including removal of toys or debris which may be left there. The Board reviewed development in Lakes at Creekside and approved all invoices and pay applications reflected in the report. The Board reviewed a bid tabulation for the construction of underground utilities in Lakes at Creekside, Section 3, and upon unanimous vote, authorized award of the contract to the low bidder, R. Construction, with a bid in the amount of \$769,740.60. The Board then discussed e-mail correspondence received from Environmental Allies regarding the condition of the District's detention facilities and drainage channels.

8. The Board then recognized Mr. Calep Estes from Blue Umbrella who advised that the residential notice system is operational and that the Rate Order and audit had been posted to the website.

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


Secretary