

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors
October 13, 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 October 13, 2015 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

and the following absent:

Shaun Hebert, Director

Also present were Mr. David Smalling of R. W. Baird & Company, Mr. Mike Potter of Hays Utility South Corporation, Ms. Mary Lutz and Mr. George Diaz 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 September 8, 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 September 30, 2016. The bookkeeper advised that there was an error in the budget adopted at the previous Board meeting, and upon unanimous vote, the Board adopted the attached amended budget 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.

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 98.9% collected.

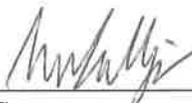
4. The Board acknowledged publication of notice of a public hearing to consider the District's 2015 tax rate. The hearing was declared open for public comment or question and, hearing none, the hearing was closed. The Board considered the attached Order setting the District's 2015 tax rate, and upon unanimous vote, the Order was approved and executed.

5. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,637 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 94.51% 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 reviewed a summary of North Harris County Regional Water Authority expenses and collections. The Board considered an appeal on the Butler account and agreed that the bill should be adjusted to the minimum bill plus the Regional Water Authority fee. Mr. Potter advised that he had inspected reflectors in the streets in the District and is replacing reflectors as needed. Director Young then reviewed with Mr. Potter certain entries on the Hays Utility Service invoice. 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 considered a request from Ryland Homes to deed Reserve A of Preserve at Northampton, Section 3 to the District and agreed to defer the matter until a representative of Ryland can make a case for the District accepting the conveyance. The Board approved numerous pay applications as reflected in the report, as well as change orders no. 1 and 2 on the Triple B Services contract, change order no. 1 on the C. E. Barker contract, and change order no. 1 on the Reddico Construction Company contract. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

7. The Board then discussed the bond election scheduled for November 3, 2015 and the need to disseminate information regarding the election to the voters. The attorney for the District was requested to draft a letter to the residents and taxpayers providing information regarding the election.

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



Secretary