

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

February 13, 2018

The Board of Directors ("Board") of Harris County Municipal Utility District No. 1 ("District") met at 2929 Allen Parkway, Suite 2280, Houston, Harris County, Texas on February 13, 2018 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

and the following absent:

None.

Also present were Mr. Mike Potter of Hays Utility South Corporation, Ms. Cara Sliva of Municipal Accounts & Consulting, Mr. Erik Spencer of Van De Wiele & Vogler, Inc., Mr. Duane Iselt of Flair Builders, Mr. Michael Murr of Murr Incorporated, Officer Brian Hodges of the Harris County Constable's Office, 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 Officer Brian Hodges who presented law enforcement report and responded to questions from the Board members.

2. The Board considered the minutes of the meeting of January 8, 2018, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

3. The Board then recognized Ms. Cara Sliva 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, 2018. The Board discussed its obligation to reimburse Flair Builders for utility development costs and considered its ability to reimburse from operating funds on-hand. The Board discussed the matter with the District's bookkeeper and requested that the attorney, engineer and bookkeeper present a proposal for reimbursement at the next Board meeting. 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 discussed with the Board recent legislation requiring the filing of certain financial information with the Texas Comptroller's Office pursuant to Senate Bill 625 (Texas Local Government Code, Chapter 203, Subchapter D).

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The Board discussed the matter and authorized the attorney to prepare and file the required report.

5. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2017 taxes are 91.04% collected.

6. The Board then considered the attached Order engaging a delinquent tax attorney and levying an additional 20% penalty on 2017 taxes which remain delinquent on July 1, 2018. After review and discussion, the Board engaged the delinquent tax attorney and adopted the attached Order levying the penalty.

7. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,808 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 91.99% of the water pumped during the previous month had been accounted for. The operator reported on the operation of Water Plant No. 1 and No. 2 and Wastewater Treatment Plant No. 1 and No. 2 and advised that there were no waste discharge permit violations during the reporting period. The operator advised that the main breaker at Sewage Treatment No. 1 had been replaced during the previous month. 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.

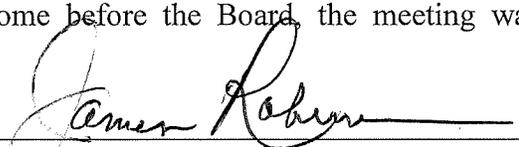
8. The Board then considered the attached Resolution Affirming Identity Theft Prevention Program and confirmed with the operator that the program is in place and is being properly administered. After discussion, upon unanimous vote, the Resolution was approved by the Board.

9. The Board then recognized Mr. Erik Spencer who presented the engineer's report. Mr. Spencer reported to the Board on the status of plans for Water Plant No. 4 and the Board authorized the engineer to advertise for bids for construction of the plant. Mr. Spencer reported on the status of development of Lakes of Creekside subdivision, including Detention Pond J and Section 4. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

10. The Board recognized Mr. Michael Murr who presented a proposal for design of parks and landscape improvements in the District, and upon unanimous vote, the proposal was accepted by the Board.

11. The Board then reviewed proposals from Mr. Don Dulin for providing website development and emergency messaging services, and upon unanimous vote, both proposals were accepted by the Board.

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


Secretary