

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

March 13, 2018

The Board of Directors ("Board") of Harris County Municipal Utility District No. 1 ("District") met at 2727 Allen Parkway, Suite 1100, Houston, Harris County, Texas on March 13, 2018 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Doug Caldwell, Jr., President
James Roberson, Secretary
Danny Brown, Director

and the following absent:

Craig C. Young, Vice President.

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, 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 13, 2018, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board then reviewed 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 the developer reimbursement for Lakes at Creekside and the attorney for the District advised that the rules of the Texas Commission on Environmental Quality require that the reimbursement be reviewed by the District's auditor. The Board discussed the matter and agreed that upon receipt of the auditor's report, the developer would be reimbursed with the understanding that the report will likely be received prior to the next Board meeting. 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 2017 taxes are 96.60% collected.

4. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,813 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 94.26% of the water pumped during the

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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. Mr. Potter advised that the interconnect with Northwest Harris County MUD No. 19 had been opened and there had been issues related to maintenance of adequate water pressure in the District. 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 Board approved the pay applications reflected in the report and authorized award of the contract for underground utilities in Lakes at Creekside, Section 4 to Texasite Construction with a bid in the amount of \$521,381.45. Mr. Spencer advised that bids would be received for the construction of Water Plant No. 4 on April 4, 2018. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

6. The Board then discussed the Directors Election called for May 5, 2018. The Board reviewed a Certificate of Unopposed Candidacy and no declared write-in candidates provided by the Secretary of the Board. After discussion, upon unanimous vote, the Board adopted the attached Order Declaring Unopposed Candidates Elected and canceling the election.

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


Secretary