

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

April 10, 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 April 10, 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 and Mr. Cory Burton of Municipal Accounts & Consulting, Mr. Erik Spencer of Van De Wiele & Vogler, Inc., Mr. Mark Eyring of Roth & Eyring, PLLC, Mr. Michael Murr of Murr Incorporated, Mr. Mike Brazzell, a resident of Wimbledon Country Subdivision, Mr. Keith Matthew, a resident of Londonderry Subdivision, 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 March 13, 2018, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.
2. The Board then recognized Mr. Mark Eyring who presented the auditor's report on developer reimbursement. The Board reviewed and approved the report and acknowledged reimbursement to the developer of Lakes of Creekside.
3. 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 attorney for the District then discussed with the Board the requirements of Senate Bill 253 and presented a letter to the bookkeeper requesting the bookkeeper and investment officer review the Texas State Comptroller's Office website to identify the investment in any scrutinized companies and to report those investments to the Board. The letter also requests the investment officer include a certification of the review on the quarterly investment report. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

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4. 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 97.53% collected.

5. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,816 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 90.97% 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 Board discussed the repayment in-kind of water through the interconnect with Northwest Harris County MUD No. 19 and agreed to propose a cash payment as opposed to the payment in-kind. Mr. Potter advised that the manhole survey is complete and the manhole at the lift station at the original sewage treatment plant site has collapsed and needs to be rebuilt. 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 reviewed nine bids for construction of Water Plant No. 4 and considered the need for a generator at the facility. It was agreed that the plant should be constructed to accommodate a generator but that in order to save cost, no generator should be installed at the present time. The engineer assured the Board that the remaining water plants with emergency power can serve the District if necessary. Therefore, upon unanimous vote, the Board accepted the bid of W.W. Payton Corp. The Board reviewed a complaint from a resident about the fence at Water Plant No. 2 and instructed the operator to remove vegetation encroaching on the fence. Mr. Spencer reported on development at Lakes at Creekside subdivision. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

7. The Board then discussed correspondence with Mr. Jay Miller with respect to an easement for the hike and bike trail and agreed that it would honor its previous offer to purchase the easement from Mr. Miller.

8. The Board then recognized Mr. Keith Matthew, a resident of Londonderry subdivision, who reported to the Board on a series of events resulting in his water being terminated and the meter being locked. Mr. Matthew complained of various fees incurred as a result of the situation. The Board discussed the matter and agreed to investigate further to determine what relief Mr. Matthew may be entitled to.

9. The Board then recognized Mr. Michael Murr who reviewed plans for Phase 1 of the hike and bike trail. The Board discussed the matter and Mr. Murr agreed to present documents sufficient to allow solicitation of bids at the next Board meeting.

10. The Board then discussed with Mr. Mike Brazzell his interest in serving as a director on the Board. After discussion, it was agreed that the matter should be addressed at the next Board meeting.

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


Secretary