

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors
September 11, 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 September 11, 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
Mike Brazzell, 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 and Mr. Joel Olshefski of Van De Wiele & Vogler, Inc., Mr. Michael Murr of Murr, Inc., Mr. Duane Iselt of Flair Builders, Mr. Brad Flack of Double Oak Storm Tex, Mr. David Smalling of Robert W. Baird & Co., Ms. LeKeita Sanders of Environmental Allies, 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 August 14, 2018, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.
2. The Board then reviewed d 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. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.
3. The Board considered the attached Resolution Adopting Operating Budget for the Fiscal Year Ending September 30, 2019, and after discussion, upon unanimous vote, the budget was adopted by the Board.
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 99.52% collected.

ALL

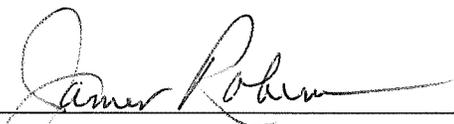
5. The Board then recognized Mr. David Smalling, the District's financial advisor, who presented a cash flow analysis and recommendation with respect to the District's 2018 tax rate. The Board reviewed the analysis and recommendation and after discussion, upon unanimous vote, the Board authorized publication of a Notice of a Public Hearing to be held at the next regularly scheduled Board meeting to consider a 2018 debt service tax of \$0.60 and a maintenance tax of \$0.145, for a total tax rate of \$0.745 per \$100 assessed valuation.

6. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,877 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 92.9% 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. Mr. Potter advised that the Seber swale had been cleaned under the direction of Director Danny Brown. The Board discussed future maintenance of the swale and agreed that it should be cleared periodically. 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.

7. The Board then recognized Mr. Erik Spencer who presented the engineer's report. Mr. Spencer reported on the status of the M109 drainage channel rehabilitation projects as well as the status of construction of Water Plant No. 4 and annexation of the Valero service station. The engineer reported that the Wimbledon Falls Homeowners Association had engaged Double Oak Storm Tex to do remedial work on the Wimbledon Falls detention pond which is the responsibility of the District. The Board discussed the matter and agreed to reimburse the homeowners association \$16,050 for the repair. The Board reviewed the status of development in Lakes at Creekside subdivision and approved Pay Application No. 3 on the Section 4 underground construction contract. Mr. Spencer reported that a bid tabulation had been provided to his office for construction of detention lake D, but that he had questions regarding the matter and had not yet reviewed the bidding procedure. The Board discussed award of the contract and authorized award following review by the District's engineer. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

8. The Board then recognized Mr. Michael Murr who presented plans for park and hiking trail improvements in the District. The Board reviewed the plans and authorized Mr. Murr to finalize the drawings and solicit bids for construction.

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


Secretary