

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

October 9, 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 October 9, 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 and Mr. Mark Burton of Municipal Accounts & Consulting, Mr. Joel Olshefski of Van De Wiele & Vogler, Inc., Mr. David Smalling of Robert W. Baird & Co., Ms. Janet Stallings of Princeton Place Homeowners Association, Inc., Mr. Michael Murr of Murr, Inc., 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 11, 2018 and September 28, 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, 2019. 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 authorizing the bookkeeper to disburse funds on the Board's behalf, and upon unanimous vote, the resolution was approved 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 99.53% collected.

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5. The Board acknowledged publication of Notice of a Public Hearing to consider a \$0.745 tax rate for the year 2018. The Board opened the meeting for public comment or question and, hearing none, the hearing was closed. The Board then considered the attached Order adopting the District's 2018 tax rate, and upon unanimous vote, the Order was approved and executed.

6. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,883 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 91.92% 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 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. Mr. Potter proposed an amendment to the operator's contract. The Board reviewed the matter and after careful consideration agreed to amend the contract effective December 1, 2018.

8. The Board then discussed the Princeton Place detention pond and Mr. Michael Murr reviewed with the Board the plans for the trail and improvements in and around the pond. Ms. Janet Stallings, President of the Princeton Place Homeowners Association, addressed the Board and inquired about maintenance of the trail and improvements in the pond. The Board discussed the matter and agreed to address mutual maintenance responsibilities at a future date.

9. The Board then recognized Mr. Joel Olshefski who presented the engineer's report. The Board reviewed the status of the interlocal agreements for the M109 channel and approved the pay applications reflected in the report. The engineer advised that the application for surplus funds to be filed with the Texas Commission on Environmental Quality is being prepared by the engineer and attorney and reviewed with the Board the status of development in various of sections of Lakes at Creekside subdivision. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

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


Secretary