

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
Minutes of Meeting of Board of Directors
January 8, 2019

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 January 8, 2019 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 of Van De Wiele & Vogler, Inc., Mr. Duane Iselt of Flair Builders, Mr. Daniel Pereyra of Environmental Allies, Mr. Mark Eyring of Roth & Eyring, 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 December 11, 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. Ms. Silva presented a request for amendment of the bookkeeper’s contract, and after discussion by the Board, upon unanimous vote, the request was approved as presented.

4. The Board then recognized Mr. Mark Eyring who presented the audit report for the fiscal year ended September 30, 2018. The Board reviewed the report including the management discussion and analysis, and upon unanimous vote, the Board approved the audit report and authorized filing as required by law.

5. The Board then discussed review of the District's investment policy, and upon unanimous vote, the Board adopted the attached Resolution affirming review of the investment policy.

6. The Board then discussed the District's obligation under Senate Bill 253 and acknowledged the investment officer's notation on the quarterly investment report and the State Comptroller's list of scrutinized companies has been reviewed on the District's behalf.

7. The attorney for the District then discussed with the Board the continuing disclosure requirement under MRSB Rule 15c2-12 and the District's bond order covenants, and upon unanimous vote, the attorney was authorized to prepare and file the necessary disclosure.

8. The attorney also reported on the requirement to file a local debt report pursuant to House Bill 1378 with the State Comptroller's Office, and upon unanimous vote, the attorney was authorized to file the report.

9. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2018 taxes are 60.7% collected.

10. The Board then considered the attached Order adopting an over 65 or disabled tax exemption for the 2019 tax year, and upon unanimous vote, the Order was approved by the Board.

11. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,897 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 86.90% of the water pumped during the previous month had been accounted for. Mr. Potter reported on a failure at Water Plant No. 3 was resulted in an overflow of approximately 1,000,000 gallons. The Board discussed the matter and requested Mr. Potter provide a quote for installation of a redundant float to prevent future failures and also requested confirmation that redundancy exists at the other water plants. 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.

12. The Board then recognized Mr. Erik Spencer who presented the engineer's report. Mr. Spencer reported that the interlocal agreement with Harris County Flood Control had been executed and a check had been received from Flood Control. Mr. Spencer presented a bid tabulation for mowing various sites and easements in the District and it appeared that Environmental Allies had submitted the low bid. After discussion, upon unanimous vote, the Board authorized award of the contract to Environmental Allies. The engineer reported on the status of development of Lakes at Creekside subdivision and advised that additional easements will be needed for plan approval in Section 5. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

13. The Board then discussed the requirement to adopt a Drought Contingency Plan pursuant to the rules of the Texas Commission on Environmental Quality. After discussion, upon unanimous vote, the Board adopted a Drought Contingency Plan pursuant to the rules of the TCEQ.

14. The Board then discussed the requirement to adopt a Water Conservation Plan pursuant to the rules of the Texas Commission on Environmental Quality, and upon unanimous vote, a Water Conservation Plan was adopted by the Board.

15. The Board then considered a law enforcement contract with the Harris County Constables Office, and upon unanimous vote, the contract was approved and executed.

16. The Board then recognized Mr. Michael Murr who reported on the status of plan approval for the District's park and trail project.

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


Secretary