

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

February 12, 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 February 12, 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. Don Dulin, the District’s website consultant, Ms. Melody Fraser, resident of Lakes at Creekside, officers from the Harris County Constable’s Office, Ms. Janet Stallings, of Princeton Place HOA, Mr. Michael Murr of Murr, Inc., Mr. and Mrs. Harfield, residents of Klein Meadows subdivision, 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 January 8, 2019, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board recognized Mr. Don Dulin and discussed with Mr. Dulin response times for posting information to the District’s website. Mr. Dulin apologized for being slow to respond and assured the Board that the response times will be much quicker going forward. The Board discussed the text messaging service and executed an agreement related to the same.

3. The Board then recognized officers from the Harris County Constable’s Office who reported on activity in the District including a homicide and numerous motor vehicle burglaries in instances where owners failed to lock the doors of automobiles. The Board discussed the matter and agreed that it might be helpful to have a town hall meeting with all residents invited to discuss security in the District.

4. The Board then recognized Ms. Melody Fraser, a resident of Lakes at Creekside, who expressed an interest in serving on the Board and reported numerous complaints

from the residents of Lakes at Creekside primarily related to landscaping and matters which are not the responsibility of the District.

5. The Board then recognized Mr. and Mrs. Harfield of Klein Meadows subdivision who reported numerous complaints about Hays Utility South Corporation primarily related to billing and termination of water service. Mr. Potter provided additional information to the Board to clarify the incident with Harfields.

6. 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.

7. 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 91.76% collected.

8. The Board then considered the attached Order engaging a delinquent tax attorney and levying an additional 20% penalty on 2018 taxes which remain delinquent on July 1, 2019. After review and discussion, the Board engaged the delinquent tax attorney and adopted the attached Order levying the penalty.

9. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,899 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 90.02% 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.

10. The Board then considered the attached Resolution Affirming Identity Theft Prevention Program and confirmed with the operator that the program is in place and is being properly administered. After discussion, upon unanimous vote, the Resolution was approved by the Board.

11. The attorney for the District then discussed with the Board the requirement pursuant to Texas Local Government Code, Chapter 203, Subchapter D to file a report with the Texas Comptroller's Office including the District's audit directors names, contact information for the operator and tax assessor, authorized and outstanding bonds. After discussion, upon unanimous vote, the attorney was authorized and instructed to prepare and file the necessary report.

12. The Board then recognized Mr. Erik Spencer who presented the engineer's report. The Board authorized award of a contract for drainage channel rehabilitation to LN McKean, Inc. Mr. Spencer advised that the interlocal agreement with Harris County Flood Control would need to be amended to reflect the amount of the bid. The Board approved Pay Application No. 5 on the Water Plant No. 4 project. Mr. Spencer reported on the status of the engineering report for the anticipated bond application and reported that he had received a request for annexation for 2.4 acres in the area of the District, which would require a feasibility study to be paid for by the landowner. The Board considered five change orders on the Detention Pond J project for Lakes at Creekside, as well as Pay Application No. 5 on the project, and upon unanimous vote, the change orders and pay estimate were approved by the Board. The Board also approved Pay Estimates No. 3 and No. 4 on the Detention Pond D project. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

13. The Board then recognized Mr. Michael Murr who advised that the contractor is proceeding on the trail project and reported that he would provide the necessary information for the attorney to draft a maintenance agreement to be entered into between the District and the Princeton Place Homeowners Association.

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

Secretary