

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

April 9, 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 April 9, 2019, in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Doug Caldwell, Jr., President
James Roberson, Secretary
Danny Brown, Director
Mike Brazzell, Director

and the following absent:

Craig C. Young, Vice President.

Also present were Mr. Mike Potter of Hays Utility South Corporation, Ms. Cara Sliva of Municipal Accounts & Consulting, Ms. Jeneane Thomas and Mr. Erik Spencer of Van De Wiele & Vogler, Inc., Mr. Daniel Pereyra of Environmental Allies, Ms. Janet Stallings of Princeton Place HOA, Mr. Duane Iselt of Flair Builders, Mr. Michael Murr of Murr, Inc., Mr. David Smalling of Robert W. Baird & Co., Mr. Kevin Atkinson of Texas Pride Disposal, 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 12, 2019, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. 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, 2019. After review and discussion, upon unanimous vote, the Board approved the bookkeeper’s report and the checks listed thereon.

3. 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 97.72% collected.

4. Mr. Mike Potter was then recognized by the Board and presented the operator’s report reflecting 2,904 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 89.48% of the water pumped during the previous month had been accounted for. Mr. Potter advised that he is checking all meters in the District and investigating potential water leaks which may have resulted in the low water accountability. The operator also reported contamination at the ground storage tank at Water Plant No. 3, and advised that the tank had been flushed and that all samples were clear of

bacteria. Mr. Potter recommended that the tanks be inspected while empty and the Board agreed. The operator presented an appeal from Mr. Justin Davis for waiver of a disconnect fee, and upon unanimous vote, the Board agreed to waive the fee if the water bill is paid without delay. 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.

5. The Board then recognized Mr. Erik Spencer who presented the engineer's report. The Board approved the pay applications reflected in the report and Mr. Spencer reported on the status of the Water Plant No. 4 construction. The Board discussed noise complaints received from residents in the area. Mr. Spencer reported that the bond application engineering report is complete, and requested authorization to do a topographic survey for the Kuykendahl Road water line relocation at Augusta Meadows Retail Center. After discussion, the Board authorized the survey. The Board then reviewed a feasibility study for annexation of 2.4 acres in the District, and after review the Board agreed that there is insufficient projected taxable value to justify the project but also agreed that it would reconsider the project if additional acreage is included and additional tax value anticipated. Mr. Spencer then reviewed with the Board the development in Lakes at Creekside subdivision and discussed the replatting of a lot which encroaches into the District's detention facility. It was agreed that the engineer will work developer to identify a solution. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

6. The Board then recognized Mr. Kevin Atkinson of Texas Pride who responded to numerous complaints regarding garbage collection in the District. Mr. Atkinson assured the Board that the issues have been addressed and that the quality of service will continue to improve.

7. The Board then considered annexation of 1.0 acres in the District, and after discussion, the Board adopted the attached order annexing 1.0 acres on the condition that the City of Houston adopts an ordinance consenting to the annexation.

8. The Board then discussed the anticipated bond application to the Texas Commission on Environmental Quality, and upon unanimous vote, the bond application was approved by the Board.

9. The Board then recognized Mr. Michael Murr who advised that 45 trees had been provided to the District by Trees of Houston, which have been planted at the detention pond site in the area of the proposed trail. The Board discussed the proposed contract with the Princeton Place Homeowners Association and the attorney agreed to draft the contract for consideration by the Board. Mr. Murr reported on the status of plans for the trail project and pending Harris County approval.

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

Secretary