

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

May 14, 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 May 14, 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. Michael Murr of Murr, Inc., Ms. Janet Stallings of Princeton Place HOA, Mr. Duane Iselt of Flair Builders, 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 April 9, 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. The bookkeeper reported that the Texas Commission on Environmental Quality had approved the District's application for use of surplus funds. 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 98.13% collected.

4. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,926 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 89.81% of the water pumped during the previous month had been accounted for. Mr. Potter advised that the water well meters have been

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tested and are registering accurately and that all commercial meters in the District have been tested, eight of which are under registering. The Board discussed engaging a company to perform a leak detection study and agreed to review the matter at the next Board meeting and consider a proposal for the study. 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 reported no interruption of service during the recent heavy rains and presented a draft Consumer Confidence Report for the Board's review. After discussion, upon unanimous vote, the Board approved the Consumer Confidence Report. 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. Mr. Spencer reported that payment had been received from Harris County for the M109 drainage project. The Board approved the pay applications reflected in the report and authorized award of a contract for clearing the easement for the access to Water Plant No. 4 to Double Oak Construction Company with a low bid of \$62,123. The Board discussed the Princeton Place detention pond storm water quality feature replacement and authorized the engineer to advertise for bids upon receipt of approval of plans. Mr. Spencer presented a revised capital improvement and maintenance plan and discussed with the Board the installation of a SCADA system. The Board reviewed a bid tabulation for clearing of Lakes at Creekside, Section 7, including Lake K and G, and upon unanimous vote, the Board authorized award of the contract to the low bidder Lindsey Construction Company with a bid in the amount of \$273,626. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

6. The Board then considered a proposed Detention Pond Maintenance Agreement with the Princeton Place Homeowners Association, and upon unanimous vote, the agreement was approved by the Board.

7. The Board then recognized Mr. Michael Murr who reviewed the status of approval of plans for the District's hike and bike trail. The Board discussed the matter and authorized the landscape architect and contractor to proceed with that portion of the project located on District property in the area of the Princeton Place detention pond.

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


Secretary