

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

August 13, 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 August 13, 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. Howard Wilhite of Hays Utility South Corporation, Ms. Cara Sliva of Municipal Accounts & Consulting, Mr. Erik Spencer of Van De Wiele & Vogler, Inc., Mr. David Smalling of Robert W. Baird & Co., Mr. Duane Iselt of Flair Builders, 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 July 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. 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 99.05% collected.

4. Mr. Howard Wilhite was then recognized by the Board and presented the operator’s report reflecting 2,942 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 91.16% 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 was one

waste discharge permit violations during the reporting period in the E.coli category. 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 discussed amendment of the District's Rate Order and reviewed rates charged to homeowners associations in neighboring districts. After discussion, upon unanimous vote, the Board agreed that irrigation taps for homeowners associations should be installed at the District's cost and that the cost of water should be reduced to \$1.50 per 1,000 gallons of water provided plus the North Harris County Regional Water Authority fee. The Rate Order was amended effective immediately.

6. The Board then recognized Mr. Erik Spencer who presented the engineer's report. The Board discussed the status of Water Plant No. 4 and accepted a bid from Wright Solutions for replacement of the storm water quality feature in the Princeton Place detention pond. The Board approved the Pay Applications reflected in the report and discussed a possible interconnect with Harris County MUD No. 386. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

7. The Board then recognized Mr. David Smalling who reviewed with the Board the Preliminary Official Statement and Notice of Sale for the District's Series 2019 Bond sale. After review, upon unanimous vote, the Board adopted the attached resolution approving the Preliminary Official Statement and Notice of Sale and authorized advertisement for bids.

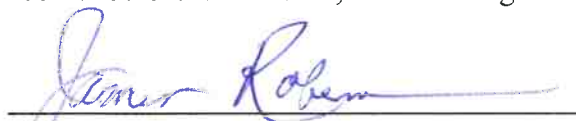
8. The Board then considered a proposal from Arbitrage Compliance Specialists for arbitrage review of previous bond issues, and upon unanimous vote, the proposal was approved by the Board.

9. The Board then recognized Mr. Michael Murr who advised that he is coordinating with the contractor for removal of the storm water quality feature in the Princeton Place detention pond.

10. The Board then discussed a proposal from Classic Messaging and agreed to defer consideration until additional information is available.

11. The attorney for the District then advised that after careful review of the real property records, no evidence has been discovered to reflect that AT&T has any claim title to the property on which its switching station is located. The attorney was requested to notify AT&T of the same and give AT&T an opportunity to assert a claim to title.

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


Secretary