

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

October 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 October 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. Michael Murr of Murr, Inc., Ms. Janet Stallings of Princeton Place HOA, Ms. Treacy Ware of Off Cinco, Mr. Duane Iselt of Flair Builders, Mr. Mark Eyring of Roth & Eyring, Mr. David Smalling of Robert W. Baird & Co., 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 September 10, 2019, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board recognized Ms. Treacy Ware who made a presentation with respect to the District’s new website and requested comments from the Board members. It was agreed that comments would be provided and the website would go live with the authorization from Director Roberson.

3. The Board then recognized Mr. Mark Eyring who presented the auditor’s limited scope examination of expenditure of bond proceeds. After review, upon unanimous vote, the Board approved the auditor’s report and authorized distribution of bonds proceeds upon receipt of the same.

4. 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, 2020. After review

and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

5. The Board discussed the anticipated 2020 bond application and agreed to request an estimate of taxable value from the Harris County Appraisal District as of October 15, 2019.

6. The Board acknowledged publication of Notice of a Public Hearing to consider a \$0.745 tax rate for the year 2019. The Board opened the meeting for public comment or question and, hearing none, the hearing was closed. The Board then considered the attached Order adopting the District's 2019 tax rate, and upon unanimous vote, the Order was approved and executed.

7. Mr. Mike Potter was then recognized by the Board and presented the operator's report reflecting 2,975 total connections in the District. The Board reviewed the water production and consumption data, and it appeared that 93.93% 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. Mr. Potter shared with the Board the Public Utility Commission's response to a recent complaint and advised that a complaint had also been received on the Frazier account as a result of extraordinarily high water usage. Mr. Potter advised that the meter has been tested and the matter will be monitored. 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.

8. The Board then recognized Mr. Erik Spencer who presented the engineer's report. The Board approved the pay applications reflected in the report and discussed at length Mr. Spencer's report on the final water production capacity of Water Plant No. 4. After discussion, it was agreed that the engineer should solicit a second opinion regarding alternatives for increasing the capacity of the plant. Mr. Spencer reported on repair of the fence at the Saddlebrook lift station and repairs at Water Plant No. 2 and Water Plant No. 3. The Board reviewed the status of development in Lakes at Creekside subdivision. After discussion by the Board, upon unanimous vote, the Board approved the engineer's report.

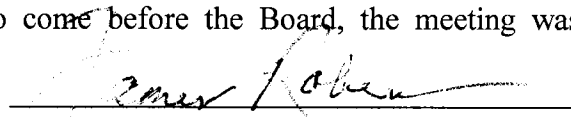
9. The Board then discussed a proposed reimbursement agreement with a joint venture to be created by Trendmaker Homes and Toll Brothers. The Board approved the reimbursement agreement on the same terms as the agreement with Flair Builders.

10. The Board then recognized Mr. Michael Murr and discussed the status of the park and trail project in the area of the Princeton Place detention pond. The Board considered installation of irrigation in the area and Mr. Murr agreed to make a recommendation at the next Board meeting. After discussion the Board approved purchase of 20 new trees and authorized surveying of Detention Pond C at a cost of \$5,500.

11. The Board then recognized Director Mike Brazzell who submitted his resignation from the Board. The Board discussed the matter, and upon unanimous vote, the Board accepted Mr. Brazzell's resignation and thanked him for his service to the District.

12. The Board then considered appointment of a Director to fill the vacancy on the Board, and upon unanimous vote, the Board appointed Ms. Janet Stallings to fill the vacancy.

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


Secretary