

MINUTES OF MEETING OF THE
BOARD OF DIRECTORS

August 23, 2011

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)
)
NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY)
DISTRICT NO. 28)

The Board of Directors (the "Board") of Northwest Harris County Municipal Utility District No. 28 (the "District") met in regular session, open to the public, at 3327 La Mer Lane, Spring, Texas, the District's meeting place inside the boundaries of the District, at 4:00 p.m. on Tuesday, August 23, 2011, whereupon, the roll was called of the members of the Board of Directors, to-wit:

| | | |
|----------------|---|-------------------------------|
| Richard Doll | - | President |
| Troy Zuckero | - | Vice President |
| Denean Bennett | - | Secretary |
| Jeff Neely | - | Treasurer/Assistant Secretary |
| Anne Headley | - | Assistant Secretary |

All members of the Board of Directors were present thus constituting a quorum.

Also present at the meeting were Officers Krause and Glaze; Vicki Busboom, the District's Bookkeeper; Vickey Sullivan with Equi-Tax, Inc., the District's Tax Assessor/Collector ("TAC"); Chris Ochoa with Republic Services, Inc.; Robb Clark with Hays Utility South Corporation, the District's Operator ("Operator"); Officers Beck and Kraus; Timothy G. Green and Mindy L. Koehne of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats/Rose") Attorneys for the District.

WHEREUPON, the meeting was called to order at 4:18 p.m. The posted notices of the meeting are attached hereto.

HEAR FROM THE PUBLIC

The Board recognized Officer Glaze who presented the District's crime report. He reported on the status of the case. No Board action was taken.

APPROVAL OF MINUTES

The Board next considered approving the minutes from the regular meeting held on July 26, 2011 which were previously distributed to the Board. Following a discussion and based on a motion by Director Headley which was seconded by Director Neely, the Board voted unanimously to approve the minutes from the meeting held on July 26, 2011.

TAX ASSESSOR'S REPORT

Ms. Sullivan reviewed and discussed the TAC report, a copy of which is attached hereto. She reported that 99.5% of 2010 taxes have been collected.

Ms. Koehne presented a delinquent tax payment agreement with Raphael Orozco for four equal payments of \$503.82.

Following a discussion regarding the TAC's report, and based on a motion by Director Neely which was seconded by Director Headley, the Board voted unanimously to authorize approval of checks; to accept the tax assessor/collector's report, as presented and to approve the delinquent tax payment agreement with Raphael Orozco.

BOOKKEEPER'S REPORT/AUTHORIZE PAYMENT OF DISTRICT'S BILLS

Ms. Busboom presented the bookkeeper's report for the period ending August 23, 2011 and checks were presented for approval. A copy of the Bookkeeper's report is attached hereto.

Ms. Busboom reported that she would like to move the District's checking account to Central Bank who will pay interest and only charge a \$10 service fee.

The Board then reviewed its construction deposits. Mr. Clark reported that one of the construction meters was likely disabled because their bill was for less than \$14.00. The Board directed Mr. Clark to find a way to determine how much water was used and to bill the business appropriately. The Board questioned the amount of the deposit and whether it was deposited into the District's account. Ms. Busboom offered to research the matter.

The Board discussed the fact that Meadowhill has not submitted bills since January. Ms. Busboom has calculated an estimate of fees (costs plus regional water authority fees) due to Meadowhill. Director Doll suggested that the Board approve payment of the estimate in the amount of \$46,927.89 which consists of variable costs in the amount of \$28,632.00 and RWA fees in the amount of \$18,295.89.

Director Doll reminded the Board that the door of the meeting facility needs replacing. He presented options to the Board. The replacement cost is approximately \$1,000. Ms. Busboom will bring a quote for the door from McCoy's.

Director Zuckero reported that he received a quote to repair the ceiling of the meeting facility for \$150. Director Headley made a motion to accept the quote for the ceiling repair. Director Zuckero seconded the motion which was approved unanimously.

Director Doll reported that the lawn is not being mowed weekly and the hedges are not being trimmed. Director Bennett will contact the lawn service provider to discuss the matter.

Following discussion of the Bookkeeper's report, and based on a motion by Director Zuckero which was seconded by Director Headley, the Board voted unanimously to accept the Bookkeeper's report, and approve payment of the checks listed therein

CONSIDER AMENDING BROKERS LIST

The Board deferred action on this matter until a future meeting.

RECEIVE OPERATOR'S REPORT

The Board recognized Mr. Robb Clark who presented the Operator's report for August, a copy of which is attached hereto. Mr. Clark updated the Board on operations matters in the District, including delinquent accounts.

Following further discussion concerning operations matters, and based on a motion by Director Zuckero which was seconded by Director Headley, the Board voted unanimously to approve the Operator's report, as presented.

DISCUSS DISTRICT'S WASTE REMOVAL CONTRACT

The Board recognized Chris Ochoa of Republic Services, Inc., the District's current waste removal contractor. Mr. Ochoa presented a proposal for \$15.00 per month per connection and also discussed fuel surcharges and Consumer Price Index ("CPI") increases. He noted that a rolling month CPI is coming into vogue and that beginning in January of 2012 they will have a CPI including gasoline index with cap increase or decrease of 5%. Mr. Ochoa said he will forward the actual contract to Ms. Koehne and Mr. Doll for review.

Director Neeley will obtain and review proposals from other competitors. The Board deferred action on renewal of the waste removal contract until the September Board meeting.

ATTORNEY'S REPORT

Discuss Meadowhill Billing Issues and Consider Authorizing Appropriate Action

Mr. Green and Director Doll updated the Board on the meeting with Meadowhill. Mr. Teague Harris is supposed to make a global proposal and provide it to Mr. Green and Director Doll for review. The District will have an opportunity to review and formulate a response at its next meeting.

Ms. Headley reported that she attended the homeowner's association ("HOA") meeting. The HOA will not meet again until its annual meeting. She said the HOA is looking for candidates to sit on the Board.

Conduct Annual Review of Investment Policy

Consideration was then given to approval of a Resolution Evidencing Review of Investment Policy and Investment Strategies. Mr. Green reminded the Board that the Public Funds Investment Act requires the Board to review the District's Investment Policy annually and consider making any changes thereto.

Upon motion made by Director Headley, seconded by Director Neely, the Board by unanimous vote agreed to adopt the Resolution Evidencing Review of Investment Policy and Investment Strategies. A copy of the Resolution is attached as an exhibit to these minutes.

There being no further business to come before the Board, and based on a motion duly made and seconded, the meeting was adjourned.

PASSED, APPROVED and ADOPTED this 27th day of September, 2011.

(DISTRICT SEAL)

Secretary, Board of Directors