

MINUTES OF MEETING OF THE
BOARD OF DIRECTORS

May 24, 2016

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 May 24, 2016, whereupon, the roll was called of the members of the Board of Directors, to-wit:

Anne Headley	-	President
Troy Zuckero	-	Vice President/Treasurer
Denean Bennett	-	Secretary
Patrick Donais	-	Assistant Secretary
Richard Doll	-	Director

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

Also present at the meeting were Vicki Busboom, the District's Bookkeeper; Vickey Sullivan with Equi-Tax, Inc., the District's Tax Assessor/Collector ("TAC"); Robb Clark with Hays Utility South Corporation, the District's Operator ("Operator"); Mark Adam with Bleyl & Associates, the engineers for the District; Deputy Coulter of Harris County Precinct 4 Constables Office; Barbara Nussa and Tiffany Hansen with Republic Services, the District's trash collection service; Terry Starkey with Onsite Protection LLC ("Onsite"); and Timothy G. Green, attorney, and Beth Van Doren, paralegal, of Coats|Rose P.C., legal counsel for the District.

WHEREUPON, the meeting was called to order at 4:30 p.m. The posted notice of the meeting is attached hereto as Exhibit "A".

HEAR FROM THE PUBLIC

No member of the public was present.

CONSTABLE'S REPORT

The Board recognized Deputy Coulter who reviewed a police report for the District. He noted that today was the first time he had an opportunity to review the security tapes from the cameras. He stated that at this point the video looks good.

Receive update on status of security cameras.

The Board recognized Mr. Starkey who updated the Board on the status of the security cameras. He stated that the camera located by Stripes still needs to be turned to a different angle in order to relieve glare. This has been delayed due to the recent bad weather.

After further discussion and based on a motion by Director Donais, seconded by Director Zuckero, objected by Director Doll, the Board voted 4-1 to accept Onsite's work to date, accept Onsite's contract and continue to work to resolve outstanding concerns contingent on review by Deputy Coulter and Onsite.

Director Doll stated he had prepared a report regarding the security camera system and contract background, a copy of which is attached hereto as Exhibit "B".

APPROVAL OF MINUTES

The Board considered approving the minutes from the meeting held April 26, 2016, which were previously distributed to the Board. Based on a motion made by Director Zuckero, seconded by Director Doll, the Board voted unanimously to approve the minutes from the meeting held on April 26, 2016.

HEAR PRESENTATION FROM REPUBLIC SERVICES

The Board recognized Ms. Nussa who presented an overview of services available through Republic Services, the District's current trash service provider. She noted that in order to have a successful recycling program, the residents would require education. A copy of reviewed services is attached hereto as Exhibit "C". No action was taken on this agenda item.

TAX ASSESSOR'S REPORT

Ms. Sullivan reviewed and discussed the TAC report, a copy of which is attached hereto as Exhibit "D". She reported that 98.9% of 2015 taxes have been collected.

Following a discussion regarding the TAC's report, and based on a motion made by Director Donais, seconded by Director Zuckero, the Board voted unanimously to accept the tax assessor/collector's report, as presented and approve payment of the checks listed in the report.

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

Ms. Busboom presented the Bookkeeper's report for the period ending May 24, 2016 and checks were presented for approval. A copy of the Bookkeeper's report is attached hereto as Exhibit "E".

Next, the Board discussed per diems paid for reports created but not assigned. After further discussion, the Board stated that unless a Director is assigned to a specific committee, they would not receive per diems for work conducted but not authorized.

Following discussion of the Bookkeeper's report, upon a motion by Director Zuckero, second by Director Donais, the Board voted unanimously to: i) approve the Bookkeeper's report; ii) approve payment of the remainder of the checks listed therein; and iii) prohibit per diems for work not specifically assigned.

The Board reviewed preliminary expenses of the District meeting house, a copy of which is attached hereto as Exhibit "F". The Board noted a few additional items for consideration. No action was taken on this agenda item.

Cost Analysis of Meeting House

Director Zuckero presented a summary of cost associated with purchasing and maintaining the meeting house, a copy of which is attached hereto as Exhibit "G". Next, he presented an analysis of the costs, options and recommendation for cost effective choices regarding the same, a copy of which is attached hereto as Exhibit "H". Finally, Director Doll presented an Analysis of MUD House Investment, a copy of which is attached hereto as Exhibit "I". After further discussion and based on a motion made by Director Donais and seconded by Director Doll, the Board voted unanimously to: i) identify possible additional meeting places; ii) investigate alternative alarm solutions; iii) cut the current internet service; and iv) discontinue the hiring of individuals to monitor trash cans at the meeting house.

Consider authorizing increase of Bookkeeper Bond

Next, the Board considered increasing the Bookkeeper's Bond to \$500,000 per the auditor's recommendation. After further discussion and based on a motion by Director Donais which was seconded by Director Bennett, the Board voted unanimously to approve increasing the Bookkeeper Bond to \$500,000.

Procedures for Reviews of Bank Reconciliations

Finally, the Board considered procedures for review of Bank Reconciliations, a draft of which is attached hereto as Exhibit "J". After further discussion and based on a motion made by Director Donais, which was seconded by Director Bennett, the Board

voted unanimously to authorize Director Zuckero to review bank reconciliations monthly and the complete Board to review bank reconciliations quarterly.

RECEIVE OPERATOR'S REPORT

The Board recognized Mr. Clark who presented the Operator's report for May. Mr. Clark updated the Board on operation matters in the District, including delinquent accounts. A copy of the Operator's report is attached hereto as Exhibit "K".

After further discussion and based upon a motion by Director Donais, seconded by Director Zuckero, the Board voted unanimously to approve the Operator's Report.

RECEIVE ENGINEER'S REPORT

The Board recognized Mr. Adam who presented the Engineer's report, a copy of which is attached hereto as Exhibit "L".

Klein ISD Service Request

Mr. Adam prepared a letter to respond to the service request from Klein ISD. After further discussion and based on a motion made by Director Donais, which was seconded by Director Zuckero, the Board voted unanimously to approve letter responding to the service request incorporating Mr. Green's comments.

Klein ISD/MUD 36 WSP Financial Analysis

A preliminary 3 year financial analysis is attached for the revenue and costs related to the Klein ISD/Mud 36 WSP matter.

5 Year Capital and Maintenance Plan

Additional information has been added to the draft template presented at the previous board meeting. Information from Meadowhill and MUD 36 is needed to complete the joint facilities portion of this plan.

Review and consider designers and contractors for fence project

The Board deferred action on this agenda item pending outcome of design meeting.

Authorize Engineer to proceed with preparing TCEQ bond application

The engineer requested authorization to proceed with preparing TCEQ bond application and surveying. He stated that the surveying estimate was \$75,000 and would be paid with bond proceeds.

After further discussion and based upon a motion by Director Zuckero, seconded by Director Donais, the Board voted unanimously to approve the Engineer's report and authorize engineer to proceed with preparing bond application.

ATTORNEY'S REPORT

Review and discuss status of perimeter fence line easements.

The Board reviewed the status of the perimeter fence line easements. The Board noted that there were still easements to be obtained. No action was taken.

Review and discuss perimeter fence funding including grants and bonds.

Director Zuckero updated the Board on two grant funds. No action was taken.

Discuss expenses to tank repairs at Klein ISD

Next, the Board discussed a \$38,000 bill for painting the tank from Northwest Harris County Municipal Utility District No. 36. After further discussion and based on a motion by director Donais, which was seconded by Director Zuckero, the Board voted unanimously to approve the invoice for \$38,000 the District's share of painting the tank from Northwest Harris County Municipal Utility District No. 36.

HEAR REPORT ON WEBSITE DEVELOPMENT

Director Bennett updated the Board on the status of upgrading the District's website. She is currently working on a question and answer type message board for complaints and comments, a copy of the draft is attached hereto as Exhibit "M".

CONSIDER ADOPTING PROCEDURES REGARDING DIRECTOR'S CORRESPONDENCE ON BEHALF OF THE DISTRICT

Next, the Board requested the Attorney to prepare procedures for Director's correspondence. Action was deferred on this agenda item.

CONSIDER AMENDING DIRECTOR DOLL'S OFFICER POSITION

Director Doll resigned as Assistant Secretary, which was accepted by President Headley. Director Doll position is now Director.

CONSIDER ADOPTING PROCEDURES REGARDING AUTHORIZING CONSULTANTS TO PERFORM CERTAIN ACTIVITIES FOR THE BOARD

Finally, the Board requested the attorney to prepare procedures regarding Directors communications with the District Consultants.

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 28th day of June, 2016.

(DISTRICT SEAL)


Secretary, Board of Directors

