

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS

November 25, 2014

THE STATE OF TEXAS

COUNTY OF HARRIS

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY  
DISTRICT NO. 28

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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 November 25, 2014, whereupon, the roll was called of the members of the Board of Directors, to-wit:

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

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"); Michael Potter with Hays Utility South Corporation, the District's Operator ("Operator"); Deputy Coulter and Officer Cohen of Harris County Precinct 4 Constables Office; Tim Green, attorney, and Beth Van Doren, legal assistant, Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats/Rose"), legal counsel for the District; and Stephen Eustis of RBC Capital Markets, the District's financial advisor.

WHEREUPON, the meeting was called to order at 4:09 p.m. with Director Bennett entering at 4:30. The posted notice of the meeting is attached hereto as Exhibit "A".

**HEAR FROM THE PUBLIC**

No member of the public was present.

**CONSIDER POSSIBLE ACTIONS TO REFUND BONDS**

Consider possible actions to refund a portion of the Series 2005 Bonds including:

**CONSIDER ADOPTING ORDER AUTHORIZING THE REFUNDING AND REDEMPTION PRIOR TO MATURITY OF CERTAIN PRESENTLY OUTSTANDING BONDS, INCLUDING:**

(a) Approve Summary of Refunding Results

The Board recognized Mr. Eustis of RBC, who presented and outlined the Summary of Refunding Results for the District selling bonds in the principal amount of \$3,000,000 to refund the District's Series 2005 Bonds, a copy of which is attached hereto as Exhibit "B". He explained the concept of refunding bonds to the Board and reviewed possible net present value savings to the District as well as the estimated annual reduction of debt service payments if the bonds were refunded.

(b) Approve Order Authorizing Issuance of \$3,000,000 Northwest Harris County Municipal Utility District No. 28 Unlimited Tax Refunding Bonds, Series 2015 (the "Refunding Bonds")

Consideration was then given to a proposed Order Authorizing Issuance for the Refunding Bonds (the "Bond Order"). Mr. Green explained that the Bond Order is the contract between the District and the bondholders and provides, among other things: (1) the legal authority for the District to issue the Series 2015 Refunding Bonds; (2) the interest rates on the Refunding Bonds; (3) the District's covenant to set a tax rate sufficient and/or use revenues from its system to pay the principal and interest due on

the Refunding Bonds; (4) the designation of the Paying Agent/Registrar for the Series 2015 Refunding Bonds; and (5) the covenant by the Board to maintain the tax-exempt status of the Series 2015 Refunding Bonds. Mr. Green further stated that additional revisions may be made to the Bond Order as directed by the Attorney General's office.

(c) Bond Purchase Agreement ("BPA")

Consideration was then given to a proposed Bond Purchase Agreement. Mr. Green explained that this Agreement is entered into by the District and the underwriter and outlines the underwriter's obligations to purchase and pay for the Refunding Bonds subject to the District meeting certain conditions.

(d) General Certificate

The Board next considered adopting a General Certificate. Mr. Green explained that this Certificate gives a brief history of the District, including the directors and terms of office, information on previous bond sales, current tax rate, and the District's current assessed valuation.

(e) Certificate as to Tax Exemption

The Board next considered approving a Certificate as to Tax Exemption. Mr. Green explained that this Certificate will be drafted and dated the day of closing on the sale of the Series 2015 Refunding Bonds. Mr. Green explained further that the Certificate states, in addition to other facts, that the District has met certain conditions pursuant to the Internal Revenue Code of 1986 which allows the Refunding Bonds to be qualified as tax-exempt obligations.

(f) Signature Identification and No-Litigation Certificate

Consideration was then given to a proposed Signature Identification and No-Litigation Certificate. Mr. Green explained that said Certificate represents that there is no litigation pending against the District affecting the Series 2015 Refunding Bonds and that the signatures of the President and Secretary are genuine.

(g) Escrow Agreement

The Board next considered approving Escrow Agreement. Mr. Green explained that upon closing the sale of the Refunding Bonds, if necessary, certain funds may be held in escrow until such funds are needed to pay approved expenses. The Escrow Agreement is the District's contract with The Bank of New York Mellon, the escrow agent for such funds.

(h) Closing Certificate of President.

The Board next considered approving the Closing Certificate of President. Mr. Green explained that Director Doll will execute this Certificate which states that: (i) the District has complied with the terms and conditions of the Bond Purchase Agreement; (ii) there is no pending or threatened litigation which would affect the District and/or the issuance, sale and delivery of the Refunding Bonds; (iii) the Order authorizing the issuance of the Refunding Bonds has not been amended without RBC's approval; and (iv) there has been no adverse changes in the District's financial condition since the most current audited period.

(i) Notices of Redemption for Series 2005

The Board next considered authorizing a Notice of Redemption of the District's Series 2005 Bonds in order to notify the holders of such bonds that they are being

redeemed.

(j) Engage CPA

Consideration was then given to engaging Grant Thornton LLP, a CPA, to prepare the Verification Report that is necessary in connection with the issuance of the Refunding Bonds.

(k) Paying Agent/Registrar Agreement

The Board next considered authorizing an Agreement with Regions Bank as Paying Agent/Registrar for the District's Series 2015 Refunding Bonds. Mr. Green explained that all tax exempt municipal bonds are required to be fully registered with registry books maintained by a registrar on behalf of the District and that the Paying Agent/Registrar Agreement sets forth the duties, responsibilities and fees involved for maintaining this information and transferring to owners.

(l) Authorize execution of letters addressed to Attorney General of Texas and Coats, Rose, Yale, Ryman & Lee, P.C., regarding dating Signature Identification and No-Litigation Certificate and General Certificate and Letter to Comptroller regarding delivery of Initial Bonds

The Board next considered authorizing execution of letters addressed to the Attorney General of Texas and Coats Rose regarding dating certain documents in connection with delivery of the Refunding Bonds.

(m) IRS Form 8038-G

The Board next considered authorizing the President to execute IRS Form 8038-G. Mr. Green explained that this form is required by the IRS and provides information about the Refunding Bonds to the IRS for record keeping purposes.

(n) Additional Actions on Series 2015 Refunding Bonds

Consideration was then given to authorizing additional action in connection with obtaining approval of the Attorney General of Texas of the Series 2015 Refunding Bonds. Mr. Green informed the Board that once the Attorney General's office has received and reviewed the Transcript of Proceedings for the District's Series 2015 Refunding Bonds, they may request additional information and/or documents and requested the Board's authority to prepare and have executed any requested documents or amendments to the existing documents.

After consideration, upon motion made by Director Headley and seconded by Director Zuckero, the Board voted unanimously to approve all of the foregoing actions and to authorize the officers and directors and the District's Attorney to prepare any required documents and/or provide any additional information to the Attorney General of Texas in conjunction with the approval of the Series 2015 Refunding Bonds.

#### **APPROVAL OF MINUTES**

The Board next considered approving the minutes from the meeting held on October 28, 2014, which were previously distributed to the Board. Based on a motion made by Director Headley, seconded by Director Zuckero, the Board voted unanimously to approve the minutes from the meeting held on October 28, 2014.

#### **CONSTABLE'S REPORT**

The Board recognized Deputy Coulter who reviewed a police report for the District. No action was needed 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 "C". She reported that 99.7% of 2013 taxes have been collected.

Following a discussion regarding the TAC's report, and based on a motion made by Director Headley, 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 November 25, 2014 and checks were presented for approval. A copy of the Bookkeeper's report is attached hereto as Exhibit "D".

Following discussion of the Bookkeeper's report, upon a motion by Director Headley, second by Director Zuckero, the Board voted unanimously to approve the Bookkeeper's report and approve payment of the checks listed therein.

Next, the Board considered amending the District budget for fiscal year ending December 31, 2014, a copy of which is attached to the Bookkeeper's report. Following discussion, and based on a motion made by Director Headley, seconded by Director Zuckero, the Board voted unanimously to amend the District budget for fiscal year ending December 31, 2014.

#### **RECEIVE OPERATOR'S REPORT**

The Board recognized Mr. Potter who presented the Operator's report for October. Mr. Potter updated the Board on operation matters in the District, including delinquent accounts and two requests for write-offs. A copy of the Operator's report is attached hereto as Exhibit "E".

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

**DISCUSS MRMUD BILLING ISSUES AND CONSIDER ACTING THEREON**

Director Doll updated the Board on the status of the MRMUD billing issues. No action was required on this agenda item.

**ATTORNEY'S REPORT**

Mr. Green discussed the ownership of the property that encompasses the detention pond. He state that the next step was to order a copy of the property deed.

**HEAR ANALYSIS OF EFFECT OF THE RATE INCREASE OF REPUBLIC SERVICE INC. AND CONSIDER ANY ACTION RECOMMENDED**

Director Doll updated the Board on his analysis of the effect of the rate increase of Republic Service, Inc. He noted that the change has a minimal effect on the billing. No action was taken on this agenda item.

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 10th day of December, 2014.

(DISTRICT SEAL)



  
Secretary, Board of Directors