

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS

March 28, 2017

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 Meadowhill Regional Municipal Utility District at 21219 Nottingham Dr., Spring, Texas 77388, on March 28, 2017, 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; Mark Eyring of Roth and Eyring, PLLC, the District's Auditor; Lt. Hoover of Harris County Precinct 4 Constables Office; and Timothy G. Green, attorney, and Beth Van Doren, paralegal, of Coats|Rose P.C., legal counsel for the District. Also present were Thomas Pratt, Dwight Osteen and Larry McCloud, residents of the District.

WHEREUPON, the meeting was called to order at 4:35 p.m. The posted notice of the meeting is attached hereto as Exhibit "A".

### **HEAR FROM THE PUBLIC**

Director Headley opened the floor to receive comments from the public. Mr. Pratt gave a brief statement on what he perceives as unethical behavior of the Board. Mr. Osteen gave a brief statement on what he perceives as poor judgement of the District's attorney. Mr. McCloud gave a brief statement on what he perceives as abuse of District funds and the wall project.

### **CONSTABLE'S REPORT**

The Board recognized Lt. Hoover who stated that the officers within the District had written 98 citations in the last 19 days. He further noted that the reports from residents were minimal, resulting in a near zero crime rate.

No action was taken on this agenda item.

### **HEAR WEBSITE REPORT**

Director Bennett stated that there were three (3) "Contact Us" inquiries since the last meeting. The inquiries were: 1.) concern regarding the attorney's permanent address; 2.) request for service; and 3.) request for addendums to minutes.

Director Bennett continues to work with the webmaster to modify and update the website. She further noted that a new "Board Q&A" column had been added to share the questions and answers communicated in the "Contact Us" section.

Finally, Director Bennett emphasized that residents are encouraged to use "Contact Us" rather than posting on Nextdoor Normandy Forest so that the Board can answer the questions and concerns without violating the Open Meetings Act.

## **APPROVAL OF MINUTES**

The Board noted that while the minutes from February 28, 2017 meeting were not completed the March 8, 2017 minutes were previously distributed.

After further discussion and based on a motion made by Director Zuckero, seconded by Director Donais, the Board unanimously to approve the minutes from the meeting held on March 8, 2017.

## **AUDITOR'S REPORT**

The Board recognized Mr. Eyring who reviewed a draft of the District's audit report for fiscal year ending December 31, 2016. A copy of which is attached hereto as Exhibit "C".

Mr. Eyring stated that after last year's audit the Board had raised the bookkeeper's bond to \$250,000 and added new audit procedures regarding review of bank reconciliations therefore removing the management oversight clause seen in previous audits.

Next, he noted that the balance that Meadowhill MUD is carrying on their books is less than what the District has reflected in previous years. After further discussion, the Board requested the audit reflect the balance provided by the Meadowhill bookkeeper.

After further discussion and based on a motion by Director Doll, seconded by Director Zuckero, the Board voted unanimously to approve the audit pending no further questions or comments received by Wednesday, April 5, 2017 at 5:00 p.m.

## **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 95.5% of 2016 taxes have been collected as of February 28, 2017.

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**

The Board recognized Ms. Busboom who presented the Bookkeeper's report for the period ending March 28, 2017 and checks were presented for approval. A copy of the Bookkeeper's report is attached hereto as Exhibit "E".

Director Zuckero stated that the Board had received the funding from Houston-Galveston Area Local Development Corporation for the tree grant funds. He suggested that it would be more meaningful for the Board's President to present the check to the President of the Homeowner's Association as a show of community partnership.

### **Klein ISD balances for repair escrow and water/sewage usage**

Next, Director Headley presented a memo of the Klein Independent School District (the "KISD") billing procedures prepared by Director Doll in December, 2010. A copy is attached hereto as Exhibit "F". Director Headley stated that the memo should be used to assist the Board to determine what monies should be set aside for repairs and maintenance and whether the rate order should be amended.

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

**RECEIVE REPORT FROM DIRECTOR ZUCKERO**

**Discuss and consider action on use of funds from sale of house**

Director Zuckero reminded the Board of the successful sale of the MUD house. He noted there are multiple ideas for the reinvesting the funds into the community including: (i) one month reduction in monthly water bill; (ii) give HOA \$100,000 toward new/renovated building; (iii) installing sidewalks between the District and the local schools at a cost of approximately \$100,000; and (iv) replace neighborhood street signs. It was also suggested the Board investigate partnering with the County, KISD and Meadowhill for the installation of the sidewalks. He further stated that the Board recognized the funds and their desire to invest in the community but more research was required. The Board deferred action on this agenda item.

**Discuss and consider action on Amendment to Water Production Facilities Agreement with Meadowhill Municipal Utility District**

Director Zuckero presented a status report regarding the Amendment to Water Production Facilities Agreement with Meadowhill Municipal Utility District, a copy of which is attached hereto as Exhibit "G". He stated that the District's consultants have been working with the Meadowhill consultants to determine a fair methodology to calculate the billing. It was noted that further work is necessary to accomplish this goal. Director Donais would initiate working on a simplified, consumption based, billing solution. The Board decided to hold a special workshop on Monday, April 3, 2017 at 6:00 pm.

## **RECEIVE OPERATOR'S REPORT**

The Board recognized Mr. Clark who presented the Operator's report for February. 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 "H".

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

Next, Mr. Clark presented a list of the top ten water users in the District, a copy of which is attached hereto as Exhibit "I"

### **Review status of fees charged and billing process to Normandy Forest Homeowners Association**

Next, Mr. Clark stated that Director Headley had asked him to research the HOA bills back to 2012 when the billing process was revised, a copy of which is attached hereto as Exhibit "J". It was noted that when Director Headley attended the annual HOA meeting she discovered that the HOA was paying a water bill. After making this discovery, Director Headley requested the operator analyze the HOA bills since the implementation of the HOA agreement in 2012. It was noted that during the years in question, the HOA never went over their annual allotment. After further review, it was determined that the HOA had been overbilled by \$9,860.34. The Board requested the attorney review the 2012 and 2013 minutes to determine the exact implementation date. The Board deferred action until the implementation date could be confirmed.

Finally, Director Zuckero requested Mr. Clark obtain information and possibly a demonstration on smart meters.

## **RECEIVE ENGINEER'S REPORT**

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

### **Review Status of Wall Project**

The field surveying is complete. The geotechnical investigation has been completed and the final report was received. This information will be provided to the structural engineer. They continue to layout the wall and identify potential conflicts and existing improvements. The design should be completed in the next few weeks and upon approval by the District will be submitted to the agencies for review and approval.

### **Hear Status of Outstanding Easements**

Along with the HOA easements, there are three (3) residential easements outstanding.

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

## **ATTORNEY'S REPORT**

### **Discuss and take any action relative to injunction regarding Rich Doll's communication on social media**

The Board recognized Mr. Green who reminded the Board that at the last meeting Director Doll agreed to stay off of social media and to apologize for previous comments posted on social media. Although no apology was made, Director Doll has stayed off of social media since the last meeting, leaving nothing for a court to enjoin. However, this has created a written record so that if Director Doll returns to posting District business on social media, the attorney is authorized to file an injunction.

**Consider entering into Election contract with Harris County Election Officer**

The Board considered engaging Harris County Election Officer to conduct the District's Directors' election in the amount of \$5,460.98. A copy of the contract is attached hereto as Exhibit "L".

After further discussion and based upon a motion by Director Doll, which was seconded by Director Zuckero, the Board voted unanimously to engage Harris County as the District's election official.

**Address concerns regarding campaign procedures**

Director Headley expressed her concerns over unethical campaign practices. She asked Mr. Green what can be done regarding blatant campaign violations. Mr. Green stated that the affidavit signed by the candidates stated they will campaign ethically does not have penalties or remedies should they not be followed.

In regard to disclosures involving campaign materials, paid political advertising, these are required by the state. The state requires disclosure statements on advertisements. Campaigns that do not comply with these guidelines may be turned into the state and face possible fines.



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 22nd day of August, 2017.



*Richard Hoff*  
Secretary, Board of Directors