

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS

May 31, 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 special session, open to the public, at Normandy Forest Clubhouse at 20811 Normandy Forest Drive, Spring, Texas 77388, on May 23, 2017, whereupon, the roll was called of the members of the Board of Directors, to-wit:

E. Dwight Osteen, II	-	President
Thomas Pratt	-	Vice President
Richard Doll	-	Secretary
Denean Bennett	-	Director
Troy Zuckero	-	Director

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

Also present at the meeting were Mark Adam with Bleyl & Associates, the engineers for the District; David Smalling with Robert W. Baird & Co., the District's Financial Advisor; and Samuel Johnson, attorney, of Coats|Rose P.C., legal counsel for the District and members of the public, a list of which is attached hereto as Exhibit "A".

WHEREUPON, the meeting was called to order at 6:35 p.m. The posted notice of the meeting is attached hereto as Exhibit "B".

**HEAR REPORT FROM DISTRICT'S FINANCIAL ADVISOR REGARDING SERIES 2017 PARK BONDS**

The Board recognized Mr. Smalling who presented a Tax Rate Impact Analysis memorandum regarding the District's issuance of \$1,100,000 in principal amount of

bonds for the construction of a wall surrounding the District, a copy of which is attached hereto as Exhibit "C" (the "Tax Rate Memo").

Based on the assumptions outlined in the Tax Rate Memo, the Financial Advisor advised that the District's debt service tax rate would be required to be \$0.45 per \$100 of assessed valuation, which is an increase of \$0.04 over the necessary debt service tax rate if no additional bonds are sold and, further, because the District's budget requires the current maintenance tax rate of \$0.23 to balance the budget, the issuance of the bonds would result in a tax rate increase for the District of \$0.02 per \$100 of assessed valuation. The Financial Advisor further advised that the \$0.02 tax increase analysis assumes zero cost increases within the district for the next 30 years, does not include the current five year capital investment plan costs, and results in the District's operating fund to go below the one year reserve mark approaching a six month mark, noting that the best practice is to keep at least a one year minimum reserve. In order to sell the bonds without a tax rate increase, the District will need to reduce expenses by approximately \$23,000 per year." Mr. Smalling answered various questions from the Board; particularly regarding the assumptions relied upon in preparation of the Tax Rate Memo.

### **CONSIDER ACTION REGARDING PARK BONDS**

The Board noted that additional information is required before application to the Texas Commission on Environmental Quality (the "TCEQ") should be considered, including updated information regarding (i) the District's budget; (ii) the wall design, and (iii) construction costs for the project. No action was taken regarding the Series 2017 Unlimited Tax Park Bonds, the sale of which bonds, when approved, will be handled by the District's Financial Advisor, R.W. Baird & Co.

## **HEAR REPORT FROM WALL COMMITTEE**

Director Bennett stated that the intention of the wall committee is to have the same wall product for all three (3) sides of the perimeter wall; however, the section of the wall along FM 2920 is more complicated to install, therefore several different products are being considered for that section.

## **COMMENTS BY DIRECTOR DOLL**

Next, Director Doll presented a summary of the wall committee's meeting with and at Bleyl Engineering regarding elements of the wall design. After Director Doll's presentation, Director Bennett suggested certain revisions to the summary be made before it is attached to the minutes. A revised copy of the summary incorporating Director Bennett's comments is attached hereto as Exhibit "D".

## **COMMENTS BY DIRECTOR ZUCKERO**

Finally, Director Zuckero stated that he believed it in the best interest of the District that committee members vet any minutes or memos prior to presentation to the Board.

## **DISCUSS AND TAKE ACTION REGARDING ADOPTING A POLICY ALLOWING MUD DIRECTORS AND HOA BOARD MEMBERS TO OPERATE VIDEO CAMERA SYSTEM**

The Board discussed the current security camera equipment, the policies and procedures in place regarding access to the cameras, "chain of custody" of footage for law enforcement purposes, and the formation of a "Security Committee" to research these matters further.

The Board noted its current policy is to prohibit Board members from accessing security footage and only allow law enforcement officials access to the footage. After further discussion and based on a motion by Director Osteen, which was seconded by

Director Pratt, Directors Pratt, Osteen, Zuckero and Doll voted to repeal the current policy; Director Bennett abstained noting she preferred to vote after receiving a report from a Security Committee on the matter. The motion passed 4-0-1.

Next, the Board further discussed formation of a Security Committee and appointing its members. After discussion and based on a motion by Director Osteen which was seconded by Director Pratt, the Board voted unanimously to appoint Director Pratt and Director Zuckero to the Security Committee. The Security Committee will review the status of the camera equipment, research alternatives for providing access to the footage and present recommendations at the next board meeting.

Finally, the Board discussed allowing the HOA to access the cameras that monitor the HOA's property. After further discussion, the Board agreed to have the Security Committee procure and provide to the HOA any available footage regarding recent damage inflicted on the HOA's gate by 4:30 pm of the following day (in time for the HOA's next meeting). The Board also agreed to have the Security Committee vet policies and procedures for providing the HOA access to the cameras that monitor HOA property and to present alternatives for consideration at the next board meeting.

#### **CONSIDER RENEWING DISTRICT INSURANCE**

Mr. Johnson reminded the Board that the District insurance will be expiring June 1, 2017. He presented and reviewed with the Board the insurance renewal proposal submitted by McDonald & Wessendorf Insurance, a copy of which is attached hereto as Exhibit "E".

After further discussion, Director Doll motioned approval of the insurance renewal. The motion was seconded by Director Pratt and approved by unanimous vote.

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 A. Hall*  
Secretary, Board of Directors



(DISTRICT SEAL)