

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

MAY 28, 2019

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"), noticed a regular session, open to the public, to be held at 6:30 p.m., on Tuesday, May 28, 2019, at 20811 Normandy Forest Drive, Spring, Texas 77388, a designated meeting place located inside the boundaries of the District. Whereupon, at 6:36 p.m., the roll was called of the members of the Board, to-wit:

- | | | |
|-----------------------|---|---------------------|
| E. Dwight Osteen, II | - | President |
| Thomas Pratt | - | Vice President |
| Richard C. Doll | - | Secretary |
| Denean A. Bennett | - | Assistant Secretary |
| Harry B. "Hal" Walker | - | Assistant Secretary |

All members of the Board were present, except Director Osteen, thus constituting a quorum. Director Osteen joined the meeting in progress. Copies of the notices are attached hereto.

Also present at the meeting were Vicki Busboom, Bookkeeper for the District; Austen Beck of Bleyl & Associates ("Bleyl"), Engineers for the District; David Ferrier of Equi-Tax Inc, ("Equi-Tax"), Tax Assessor for the District; Robb Clark of Hays Utility South Corporation, Operator for the District ("Hays"); Sgt. Hodges and Deputy Rodriguez with Harris County Precinct No. 4; Ryan LaRue and Tamara Sharkey of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District; and Members of the Public listed on the attached Attendance Sheet.

CONSTABLE'S REPORT

The Board recognized Sgt. Hodges, who updated the Board on calls/complaints originating in the District.

The Board noted that no action was necessary in connection with the Constable's Report.

HEAR FROM PUBLIC

The Board recognized Mr. Diaz, on behalf of the Normandy Forest Homeowners Association (the "HOA"), who informed the Board numerous flag poles in the District are tilted. Director Pratt noted the current flag pole holders may be able to be replaced with new PVC pipe to resolve the tilting.

The Board noted that no action was necessary in connection with the flag poles.

Mr. Diaz also submitted to and reviewed with the Board a proposal for a grant to the HOA for a park water fountain. Mr. Diaz informed the Board he had received several bids for the delivery and installation of the fountain ranging from \$9,000-\$10,000. Mr. Diaz stated he is expecting a few more bids and will then submit all bids to the Board for review. Mr. Diaz noted the proposal only requested \$5,000 for the water fountain grant. Mr. Diaz informed the Board delivery and installation of the fountain, including installation of necessary water lines, is expected to take approximately 3 weeks.

Upon motion by Director Doll, seconded by Director Walker, and after full discussion, the Board voted unanimously to approve the grant to the HOA in an amount not to exceed the cost to deliver and install the park water fountain or \$5,000, whichever is less.

WEBSITE REPORT

The Board recognized Director Bennett, who presented the Website Report for the period April 15, 2019 – May 14, 2019, a copy of which is on file in the official records of the District. Director Bennett noted it would be possible to use the website to handle reporting for Perimeter Wall Warranty Claims, to be discussed later in the meeting.

The Board noted that no action was necessary in connection with the Website Report.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Mr. Ferrier, who presented to and reviewed with the Board the Tax Assessor-Collector's Report for April 2019, a copy of which is on file in the official records of the District. Mr. Ferrier informed the Board the Harris County Appraisal District's 2019 preliminary assessed value for the District is approximately \$118,280,632, which is an increase of approximately \$3,486,802 from the 2018 value.

Upon motion by Director Doll, seconded by Director Bennett, and after full discussion, the Board voted unanimously to approve the Tax Assessor-Collector's Report.

At this time, Director Osteen entered the meeting.

ENGINEER'S REPORT

The Board recognized Mr. Beck, who presented to and reviewed with the Board the Engineer's Report, a copy of which is on file in the official records of the District. Mr. Beck noted the warranty for the perimeter wall expires January 25, 2020. Mr. Beck next advised the Board that he is still waiting on revised plans for the construction of the Spring Cypress Chevron. Director Walker informed the Board fill had been placed on the Spring Cypress Chevron lot and runoff was redirected from its prior flow path onto neighboring property.

Upon motion by Director Walker, seconded by Director Pratt, and after full discussion, the Board voted unanimously to approve the Engineer's Report.

PERIMETER WALL WARRANTY CLAIMS

The Board recognized Director Bennet, who discussed the upcoming warranty expiration for the perimeter wall and timing of inspections to identify warranty items for repair. Director Bennet proposed two inspection periods with contemporaneous notifications to adjacent homeowners requesting reports of potential issues in the wall. The Board discussed setting June/July and December inspection dates, with actual dates to be determined, and any identified warranty items would then be compiled into Bleyl's inspection report for submission prior to the

warranty deadline. The Board discussed having Director Bennet draft the notice letters to adjacent homeowners which would be reviewed and delivered by SK Law.

Upon motion by Director Bennett, seconded by Director Pratt, and after full discussion, the Board voted unanimously to approve (1) two inspection periods in June/July and December; and (2) sending of notice letters to adjacent homeowners to coincide with the inspections.

BOOKKEEPER'S REPORT

The Board recognized Ms. Busboom, who submitted to and reviewed with the Board the Bookkeeper's Report, invoices submitted for payment, and the Investment Report, copies of which are on file in the official records of the District. Director Bennett questioned Ms. Busboom regarding the variable trash collection rates. Ms. Busboom stated charges are connection based and she will review the number of connections and report back to the Board.

At this time, Mr. Ferrier left the meeting.

Upon motion by Director Pratt, seconded by Director Walker, and after full discussion, the Board voted unanimously to approve (1) the Bookkeeper's Report; (2) payment of invoices; and (3) Investment Report.

OPERATOR'S REPORT

The Board recognized Mr. Clark, who submitted to and reviewed with the Board the Operator's Report, a copy of which is on file in the official records of the District. Mr. Clark noted the status of a delinquent account with no water usage and Director Pratt informed Mr. Clark that resident is deceased. Director Pratt stated a neighbor of the deceased resident was in contact with the deceased's family and he would pass the neighbor's contact information to Mr. Clark.

Upon motion by Director Bennett, seconded by Director Pratt, the Board voted unanimously to approve the Operator's Report.

CONSUMER CONFIDENCE REPORT

Mr. Clark also submitted to and reviewed with the Board the annual Consumer Confidence Report required by the TCEQ, a copy of which is on file in the official records of the District.

Upon motion by Director Pratt, seconded by Director Walker, the Board voted unanimously to approve the Consumer Confidence Report.

RATE ORDER

The Board recognized Mr. LaRue who informed the Board they had previously discussed incorporating penalties for damages to the perimeter wall into the District's Rate Order.

Upon motion by Director Pratt, seconded by Director Doll, and after full discussion, the Board voted unanimously to approve amending the Rate Order to incorporate penalties for damaging the perimeter wall, a copy of which is on file in the official records of the District.

SECRETARY'S REPORT

The Board recognized Director Doll, who submitted to and reviewed with the Board the Secretary's Report. Director Doll informed the Board he had no further communication from the homeowner who had requested a replacement tree, as discussed at prior meetings. Director Doll next questioned Mr. LaRue on the status of a summary of past reimbursable items. Mr. LaRue stated he would discuss the list with Ms. Busboom and Mr. Clark when complete and report back to the Board. Ms. Busboom stated she would update the capital repairs account value and report back to the Board at the next meeting. The Board then discussed using surplus funds on reimbursable items and new cash defeasance in the future. Mr. LaRue recommended the Board hold off on any use of funds until cost estimates were obtained for several upcoming expenses, including the Meadow Hill Regional Municipal Utility District facility repairs. Mr. LaRue noted he has requested an update regarding the repairs but has not received any further communications regarding the status or anticipated costs.

The Board noted that no action was necessary in connection with the Secretary's Report.

APPROVAL OF MINUTES

The proposed Minutes of the meeting of the Board held April 23, 2019, previously distributed to the Board, was presented for consideration and approval.

Upon motion by Director Pratt, seconded by Director Walker, and after full discussion, the Board voted unanimously to approve the Minutes of the meeting held April 23, 2019, as presented.

ATTORNEY'S REPORT

Surplus Funds Application

The Board deferred action on use of surplus funds.

Renewal of District Insurance

The Board recognized Mr. LaRue, who submitted to and reviewed with the Board the renewal terms for the District's insurance policy. Mr. LaRue noted the premium decreased by \$63 and the policy would be effective June 1, 2019. Mr. LaRue informed the Board the policy would cover damage caused by the perimeter wall and not damage to the perimeter wall caused by another party.

Upon motion by Director Doll, seconded by Director Pratt, the Board voted unanimously to renew the District's insurance policy.

Resolution Providing for Annual Review of Emergency Preparedness Plan

The Board next considered approval of a Resolution Providing for Annual Review of Emergency Preparedness Plan. Mr. LaRue noted that the District is required to review and update the Emergency Preparedness Plan on an annual basis. Mr. Beck advised that the Emergency Preparedness Plan should be updated to reflect current contact information and to include Director Osteen's contact information.

Upon motion by Director Doll, seconded by Director Walker, the Board voted unanimously to approve the Resolution Providing for Annual Review of Emergency Preparedness Plan, subject to the recommended revisions updating contact information and any other revisions requested by the Operator and Engineer.

Resolution Evidencing Annual Review of Identity Theft Prevention Program

The Board next considered approval of a Resolution Providing for Annual Review of Identity Theft Prevention Program. Mr. LaRue noted that the District is required to review and

update the ID Theft Prevention Program on an annual basis. Mr. Clark informed the Board he had reviewed the ID Theft Prevention Program and that no significant red flag events had occurred the previous year.

Upon motion by Director Bennett, seconded by Director Pratt, the Board voted unanimously to approve the Resolution Providing for Annual Review of Identity Theft Prevention Program.

Unclaimed Property Report

The Board deferred action on the Unclaimed Property Report.

ADJOURNMENT

There being no further business to come before the Board, upon motion made, seconded, and approved unanimously, the meeting was adjourned.

PASSED, APPROVED, AND ADOPTED, this 25th day of June 2019.




Secretary, Board of Directors