

MINUTES OF MEETING OF BOARD OF DIRECTORS

July 10, 2018

THE STATE OF TEXAS §
COUNTY OF HARRIS §
TRAIL OF THE LAKES MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Trail of the Lakes Municipal Utility District (the "District") met in special session, open to the public, at Atascocita High School, Room T-16, 13300 Will Clayton Parkway, Humble, Harris County, Texas 77346, a place outside the boundaries of the District, on Tuesday, July 10, 2018, at 3:30 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Jeff Campbell	President
Jo A. Smith	Vice President/ Tax Compliance Officer
Virginia Elkins	Secretary/Treasurer
Crystal Kirby	Assistant Secretary
Kim Pendleton	Director

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Gerald Johnson of The Forest Homeowners Association; Ms. Katherine Foss of Municipal Financial Services ("MFS"); Ms. Kelly Snook, Executive Director of the Greens Bayou Coalition; Mr. Loren Morales of RBC Capital Markets ("Financial Advisor" or "RBC"), financial advisor for the District; Mr. Tom Dillard of Champions Hydro-Lawn, Inc., detention pond maintenance service provider for the District; Ms. Tara Klein and Ms. Christie Johnson of Four and One, LLC ("Four and One"), landscape architects for the District; and Ms. Monica A. Garza, attorney, and Ms. Rita R. Rodriguez, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("Radcliffe Bobbitt"), attorneys for the District.

WHEREUPON, the President called the meeting to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

PRESENTATION FROM MFS REGARDING EVO DISTRICT ANALYSIS

The Board first recognized Ms. Foss who reviewed a presentation regarding the EVO Metrics Report (the "EVO"), a copy of which is attached hereto. Ms. Foss explained that MFS obtains a district's five (5)-year history and information including taxes, bonds and operations and compiles such information into one (1) report.

Ms. Snook and Mr. Morales entered the meeting at this time.

Ms. Foss also explained that the EVO will obtain information from other nearby districts and districts of similar size for comparison purposes. Director Campbell stated that the Board wants to ensure that the District is covering its expenses and maintaining an adequate reserve. Ms. Foss explained that the EVO will meet with the District's consultants to obtain the necessary

data, and also rely on the District's audit reports. Ms. Foss explained that the annual fee for the preparation of the EVO is \$3,950 with a one (1) time set-up fee of \$1,750.

Director Campbell then stated that he is in favor of having the EVO because it is the Board's duty to make sure the District is fiscally responsible.

Director Elkins then inquired what services the Financial Advisor performs. Mr. Morales then stated that RBC handles information pertaining to the District's taxes and bonds. Ms. Foss added that financial advisors assist in planning for the future, whereas, the EVO will compile the District's historical data into one (1) report to assist the District in setting its goals. Ms. Foss noted that the EVO will also assist in transparency and accountability.

Director Campbell then inquired if it is necessary to obtain a new report each year. Ms. Foss explained that the District would not have to have a report prepared each year, but that MFS would need to determine the proportional amount of the annual fee based on the number of years a report is not prepared.

Director Pendleton then inquired if the EVO is based on the District's fiscal year. Ms. Foss responded that it is based on the District's fiscal year and would begin with the fiscal year ending September 30, 2018. Ms. Foss explained that the EVO will be delivered within three (3) months upon receipt of the final audit.

The Board then further discussed the EVO and requested that an item be added to the agenda to approve and authorize execution of the engagement letter with MFS at the District's July 30th Board meeting.

Mr. Johnson entered the meeting at this time.

Ms. Foss exited the meeting at this time.

IMPLEMENTATION OF VOLUNTARY STAGE 1 OF THE DISTRICT'S DROUGHT CONTINGENCY PLAN ("DCP")

The Board then considered implementation of the voluntary Stage 1 of the District's DCP. Director Campbell stated that, because he believes the weather will be dry over the next week and the repairs to Water Well No. 3 are still ongoing, the District should implement voluntary Stage 1 of the District's DCP. Director Campbell then requested that Radcliffe Bobbitt notify Mr. Ross Madia of Si Environmental, LLC, operators for the District, so that signs may be placed at the entrances of the District. Ms. Rodriguez then stated that the notice will also be posted on the District's website. Director Campbell then responded to various questions from Mr. Johnson regarding Water Well No. 3.

Upon motion by Director Smith, seconded by Director Kirby, after full discussion and the question being put to the Board, the Board voted unanimously to authorize implementing the voluntary Stage 1 of the District's DCP until the completion of the repairs to Water Well No. 3.

AUTHORIZE OBTAINING PROPOSALS FOR WEBSITE AND MESSAGING SERVICES

Upon motion by Director Kirby, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Radcliffe Bobbitt to obtain proposals for website and messaging services from at least three (3) providers for the following services: 1) re-design of the District's website; 2) website services; 3) emergency mass messaging; and 4) District domain email accounts.

UPDATE ON DEVELOPMENT OF RECREATIONAL AMENITIES

Mr. Morales reported that the District received the Texas Commission on Environmental Quality technical memorandum and draft Order approving an Engineering Project and the Issuance of \$5,105,000 in Unlimited Tax Bonds for the District on July 10th, and that it has been distributed to the District's consultants for review and comment prior to returning the executed consent form. Mr. Morales added that he has provided a few comments to Ms. Regina D. Adams of Radcliffe Bobbitt. Mr. Morales then reported that a draft of the Preliminary Official Statement could be presented at the July 30th Board meeting.

Ms. Klein then reported that she has not received an update on the status of the District's Texas Parks and Wildlife Department ("TPWD") grant application. Ms. Snook noted that the TPWD has just begun releasing information regarding the results of the applications for grant funding that was due in November 2017.

Mr. Johnson then stated he is requesting information on park design development and inquired at what point is the District in the process of the development of recreation amenities. Ms. Klein stated that the District is in the design development stage and that plans are not yet final. Ms. Klein then reviewed the process of development of recreation amenities. Director Campbell then explained the original conceptual park plan and where the process is now.

Ms. Klein then reported that Four and One and Metalab Architecture ("Metalab") are working on the design of the pavilion for the dog park. Ms. Klein then reviewed with the Board a drawing of the proposed dog park, a copy of which is attached hereto. Ms. Klein then reviewed with the Board samples of two (2) types of chairs that may be utilized at the pavilion. Ms. Klein explained to the Board that it will need to decide on colors for the chairs. Ms. Klein then discussed the play area for dogs and material used on flooring. Ms. Klein noted that the kiddie mulch will be used in that area in the event children also utilize the same play area. Ms. Klein then explained that the pavilion will be separate from the dog park and that entrances into the dog park will have an entrance and exit gate to assist with congestion. Ms. Klein then explained that the amenities in the small dog area will mirror the amenities in the large dog area. Ms. Klein then reported that she will be meeting with the District's engineer to discuss civil engineering matters. The Board then discussed the use of vibrant colors for the pavilion and Ms. Klein and Ms. Johnson explained that vibrant colors should be limited to accents such as chairs. Ms. Klein then explained that neutral colors would be better suited for the pavilion because the maintenance cost for vibrant colors on the structure could be high. Ms. Johnson added that Four and One will work with Metalab regarding what it recommends for colors of the building.

Mr. Johnson then inquired when the neighborhood parks and trails would be constructed. Ms. Klein stated that the District is still in the design and development phase and is obtaining feedback to assist with the design. Ms. Klein went on to review a proposed timeline for the development of recreational amenities and noted that it could be March 2019 when construction may commence. Ms. Klein further explained that upon final draft of the plans, the Board will approve same and then a model will be prepared. Director Campbell then explained the conceptual park plan and the Board's development of recreational amenities process. Director Campbell went on to state that some changes had to be made due to cost and, while the plan may not be exactly the same as the initial proposed plan presented at previous District town hall meetings, the trails, parks and dog park are still in the plans. Director Campbell added that, at this point in the process, the Board is narrowing the planning of and design for specific areas.

Mr. Johnson exited the meeting at this time.

Ms. Johnson then reported that she has begun preparation of the model. Ms. Klein then added that a video of the model will be posted to the District's website. Ms. Klein noted that the model will not include detention basin sidewalks.

Mr. Morales exited the meeting at this time.

Director Campbell then requested that the trail connections to the parks be explained well so that the District residents are aware that all parks and amenities within the boundaries of the District are for all District residents.

Director Campbell then reported that due to Harris County Flood Control District's plan to desilt Williams Gulley, the Clayton's Park ("CP") Detention Pond will likely dry up. Mr. Dillard added that it is one (1) of 1,200 sites scheduled for desilting. Ms. Klein then inquired if the Board would like to move forward with the fishing pier, since there will likely be no water in the CP Detention Pond. The Board then agreed that the plans should be revised to remove the fishing pier and that the funds schedule for such project could be used for other amenities.

Director Smith then inquired about the dog wash area at the dog park. Ms. Klein explained that such area is planned to be near the parking area. Director Kirby then inquired about theft prevention such as latches for the chairs. Ms. Klein explained that options are available for theft prevention.

Ms. Klein then informed the Board that design development will be completed by the August 14th special Board meeting, at which time Four and One will begin construction development.

Ms. Klein then stated that she will provide pricing for the chairs for the dog park at the August 14th special Board meeting.

Mr. Dillard then reported that the posts on the gate at the CP Detention Pond have been pushed in order to access the area and that he pushed and rotated the posts back into place. Director Smith inquired if there are "No Trespassing" signs posted. Mr. Dillard then stated that

there are no such signs posted. Mr. Dillard added that the posts will need to be stabilized so that the posts cannot be turned again, to deter unauthorized access.

Ms. Rodriguez then reported that the District Parks, Trails and Recreation Facilities Rules & Regulations is in final review and will be presented to the Board at a later date.

MISCELLANEOUS MATTERS

Ms. Rodriguez then reminded the Board that the next regular Board meeting has been scheduled for Monday, July 30, 2018, at 12:00 p.m. at the offices of Radcliffe Bobbitt.

There being no further business to come before the Board, the meeting was adjourned.

PASSED, APPROVED and ADOPTED this 30th day of July, 2018.




Secretary, Board of Directors