

**KLEINWOOD MUNICIPAL UTILITY DISTRICT
OF
HARRIS COUNTY, TEXAS**

TO: THE BOARD OF DIRECTORS OF KLEINWOOD MUNICIPAL UTILITY DISTRICT OF HARRIS COUNTY, TEXAS, AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Kleinwood Municipal Utility District will hold a regular meeting, open to the public, on **THURSDAY, 25 June 2020**, at **6:00 p.m.** at the District Office, **16530 Kleinwood Drive, Houston, Texas**, within the boundaries of the District to consider and act upon the items listed below. **Consultants and guests attending the meeting via teleconference, please dial 877-746-4263 and enter Guest Code 2925180.**

1. Consider comments and questions from District residents (3 minute limit);
2. Minutes of the Board of Directors meeting of 28 May 2020;
3. Security Report (Harris County Precinct 4 Constable's Office), including review contract activity statistics;
4. Financial Advisor's Report;
5. Matters relating to the sale of Series 2020 Refunding Bonds, including:
 - (a) review and approve Preliminary Official Statement;
 - (b) approve Order Adopting Preliminary Official Statement and Authorizing Distribution Thereof;
 - (c) approve Resolution Regarding Delegation of Authority;
 - (d) adopt Resolution Authorizing Issuance of the Bonds;
 - (e) authorize the Directors and consultants of the District to complete all matters and take all necessary items incident to the issuance, approval by the Attorney General, sale, delivery, and closing of the Bonds;
 - (f) adopt Resolution Regarding Approval of Contingent Fee Contracts;
 - (g) consider agreement for special tax counsel services between the District and McCall Parkhurst & Horton;
6. Report on maintenance of detention facilities, including authorize actions deemed necessary;
7. Tax Assessor/Collector's Report, including:
 - (a) authorize payments from the District's Tax Account;
 - (b) status report regarding delinquent tax accounts;
 - (c) authorize transfer of personal property accounts to uncollectible roll;
8. Engineer's Report, including:
 - (a) review bids and award contract for sanitary sewer system rehabilitation – Phase 1;
 - (b) discuss 5-Year Capital Improvement & Equipment Management Plan and authorize actions deemed necessary;
 - (c) discuss requests for service and authorize actions deemed necessary;
 - (d) discuss request for annexation of 7.6169-acre tract on Stuebner-Airline Road (Ollie Hilliard/Darby Real Estate Investments, LP) and authorize actions deemed necessary;
9. Attorney's Report, including:
 - (a) authorize execution of Amendment to Agreement for Services of Tax Assessor/Collector (compliance with Senate Bill 2 requirements for governmental transparency);
 - (b) review and approve contract for mowing and landscaping services at District Office and Walking Garden;

- (c) status of cyber security awareness training (due 6/14/20);
 - (d) discuss and possibly approve proposed Amendment to Agreement for Services of Tax Assessor/Collector ();
 - (e) discuss actions of North Harris County Regional Water Authority;
 - (f) discuss District's website;
 - (g) discuss power supply issues (P3 and Constellation);
10. Operator's Report, including:
- (a) operation of the District's facilities;
 - (b) discuss and authorize repairs to District's facilities;
 - (c) report regarding water accountability;
 - (d) report regarding status of sanitary sewer overflows, permit violations, and/or insurance claims;
 - (e) authorize action against delinquent accounts, including termination of service;
 - (f) approve write-offs of uncollectible accounts, as needed;
 - (g) discussion regarding proposed conversion to electronic water meters, including status of pilot program;
11. District Office Report, including:
- (a) report on District Office operations;
 - (b) authorize repairs or improvements to District Office;
 - (c) report on status of and possible improvements to Walking Garden;
12. Bookkeeper's Report, including:
- (a) payment of the bills of the District;
 - (b) review District investments;
 - (c) review balance of District's Operating Fund;
 - (d) report on escheat of unclaimed funds to State Comptroller;
13. New Business:
14. Old Business, including:
- (a) report on Kleinwood Joint Powers Board;
 - (b) discuss matters relating to homeowner associations;
15. Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in executive session to discuss matters relating to pending or contemplated litigation, personnel matters, real estate transactions, or security;
16. Authorize action on matters discussed in executive session;
17. Schedule future meetings as required; and
18. Discuss items to be placed on future meeting agendas.



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**KLEINWOOD MUNICIPAL UTILITY DISTRICT
NOTICE OF CONTINGENT FEE ENGAGEMENT OF SPECIAL TAX COUNSEL**

Pursuant to Texas Government Code Section 2254.1036, notice is hereby given that the Board of Directors of Kleinwood Municipal Utility District (the "District"), at the public meeting described in the Notice of Public Meeting to which this Exhibit is attached, shall consider the engagement of McCall, Parkhurst & Horton L.L.P. (the "Firm") to serve as Special Tax Counsel for a contingent fee. In support thereof, the Firm offers the following:

- (A) The Firm is proposing to perform legal services for the purpose of providing legal representation to the District in the areas of federal tax law relating to the exemption of interest from federal income taxation on governmental public securities in the form of refunding bonds. The purpose of issuing such refunding bonds is to create a cost savings related to previously issued bonds of the District.
- (B) The Firm is a well-qualified law firm with more than 100 years of experience and has represented numerous entities similar to the District in matters related to the refunding of municipal bonds.
- (C) The Firm has no relationship with the District or its Board members other than its position as Special Tax Counsel. The District has engaged the Firm as Special Tax Counsel for each of its prior issuances of refunding bonds based on the Firm's reputation as a specialist in the area.
- (D) Special Tax Counsel services are highly specialized legal services involving complex regulatory guidance. While the District's Bond Counsel effectuates the issuance of District bonds, the Firm possesses expertise with the intricacies of federal tax law which are outside the scope of Bond Counsel's engagement, and industry standards necessitate the engagement of Special Tax Counsel.
- (E) The Firm's compensation is contingent upon the issuance and from proceeds of the sale of the refunding bonds. It is the industry standard for the fees of Special Tax Counsel, and many other types of legal and financial counsel associated with an offering of municipal securities, to be provided on a contingent basis.
- (F) This contingent fee contract is in the best interest of the District's residents because the arrangement allows the District to have certainty of its costs prior to the issuance of such bonds, which allows it to size its bonds with greater certainty. This arrangement also allows the District to preserve its right to discontinue the issuance of such refunding bonds for any reason without expending any costs related to the Firm's services as Special Tax Counsel.