

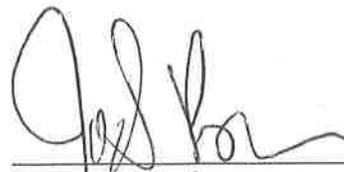
**NORTHWEST HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 5**

**NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested members of the public that the Board of Directors of the captioned district will hold a public meeting at **14701 Spring Cypress Road, Cypress, Texas**. The meeting will be held at **5:00 p.m. on Thursday, August 18, 2016**.

The subject of the meeting is to consider and act on the following:

1. Minutes of Board of Directors Meeting(s)
2. Bookkeeper's Report; Checks and Invoices; Investment Policy; Investment of District Funds; General Fund Budget; Depository Pledge Agreement(s)
3. Operator's Report; Operation, Maintenance and Repair of District Facilities; Waste Discharge Permits; Customer Appeals; Termination of Service on Delinquent Accounts
4. Tax Collections; Tax Rate; Tax Exemptions; Resolution Requesting Estimate of Value; Proposal for Tax Assessor Services
5. Discuss 2016 Tax Rate; Authorize Publication of Notice of Public Hearing
6. Engineer's Report; Utility Commitments; Design of Facilities; Advertisement for Bids; Construction Contract(s), Pay Estimate(s) and Change Order(s); Design, Construction and Maintenance of Facilities; Deeds and Easements; Permit Matters; Proposal(s)
7. Website Development
8. Travel Reimbursement Policy
9. Code of Ethics
10. Investment Policy
11. Developer's Report; Utility Financing and Reimbursement Agreement; Collateral Assignment; Utility Commitments; Utility and Paving Guarantee Agreement
12. Other Matters: Park Plan; Annexation of Land; Insurance; Consultant Contracts; Solid Waste Collection Contract; Critical Load Submission; Rate Order; Contract for Electric Power; Audit Report; Application to Texas Commission on Environmental Quality; Continuing Disclosure; Issuance of Bonds; Elections; Water Conservation Plan; Drought Contingency Plan; Contract for Law Enforcement Services
13. Executive Session (closed meeting) in accordance with Texas Government Code §551.074 to discuss personnel matters
14. Pending Business



James D. Bonham  
Attorney for the District

## NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors  
July 21, 2016

The Board of Directors ("Board") of Northwest Harris County Municipal Utility District No. 5 ("District") met at 14701 Spring Cypress Road, Cypress, Texas, on July 21, 2016, in accordance with the duly posted notice of the meeting, with a quorum of directors present as follows:

Jeff P. Collins, President  
Larry L. Milberger, Vice President  
James Adams, Secretary  
Charles Fischer, Treasurer  
H. Bruce Gallun, Director

and the following director absent:

None

Also present were Mr. Keith Conrad of Republic Services, Mr. Bob Wanninger of Lakeland Development Company, Mr. Jason Hajduk of IDS Engineering Group, Mr. Dane Plumbley and Mr. Brian Gibson of Friendswood Development, Mr. Peter Barnhart of Caldwell Companies, Ms. Julie Peak of First Southwest, Ms. Debbie Gibson of McCall Gibson Swedlund Barfoot PLLC, Mr. Bob Ideus of Municipal Business Services, Inc., Mr. Keith Biele, Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc., Mr. Ken Love of Municipal District Services, LLC, and Mr. James D. Bonham, attorney for the District.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. The Board considered the minutes of the meeting of June 16, 2016, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board reviewed the attached bookkeeper's report, including the invoices reflected thereon and a schedule of District investments. The Board also reviewed the general fund comparison of actual versus budgeted revenues and expenditure for the fiscal year ending July 31, 2016. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

3. The Board considered the attached resolution adopting a general fund budget for the fiscal year ending July 31, 2017. The Board discussed the budget, and upon motion duly made, seconded and carried by unanimous vote, the resolution adopting the budget was approved by the Board.

4. The Board then recognized Ms. Debbie Gibson of McCall Gibson Swedlund Barfoot PLLC who presented a proposal for performing the District's audit for the fiscal year ending July 31, 2016. The Board discussed the matter and asked Mr. Ideus when he would expect to have the books ready for the auditors. The bookkeeper advised that he had every expectation that he could have the books delivered to the auditor before the end of September. Ms. Gibson agreed that if she receives the books in September, the audit would be presented for approval at the November Board meeting which would allow for filing with the Texas Commission on Environmental Quality within the statutory deadline. After discussion, upon unanimous vote, the Board engaged McCall Gibson to perform the audit.

5. The Board then reviewed the operator's report reflecting 58 taps during the previous month bringing the total connections in the District to 5,867. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 96.3% of the water pumped during the previous month had been accounted for, and the report reflected no waste discharge permit violations during the reporting period, with the exception of two notices received from Harris County Pollution Control Department regarding chlorine violations at wastewater treatment plant no. 1 and no. 2. Mr. Love advised that following testing by HCPCD, the operator tested for chlorine and found the chlorine residual to be within permit limits. Mr. Love reported that he would respond to HCPCD as required. The Board discussed the results of the fire hydrant survey and agreed that the repairs and painting should be completed. Therefore, the Board authorized the operator to proceed with repairs and painting the fire hydrants at a cost of approximately \$36,000 to be paid from surplus capital projects funds in accordance with the rules of the Texas Commission on Environmental Quality. The Board then discussed installation of smart meters in the District and requested the operator provide information regarding the cost of the meters and the resulting savings. The Board discussed repairs and maintenance to the District's facilities since the last Board meeting and reviewed the run time report on the District's lift pumps. After discussion by the Board, upon unanimous vote, the Board approved the operator's report and authorized termination of service to all customers appearing on the delinquent list in accordance with the District's Rate Order. The Board also authorized a schedule of delinquent accounts to be written off as uncollectible.

6. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2015 taxes are 99.38% collected. Ms. Peak discussed with the Board the need for assistance from a tax assessor in developing tax data for preparation of offering documents for the sale of bonds as well as other calculations dependent on tax data. The Board discussed the matter and considered engaging a tax assessor on an as-needed basis with the understanding that the billing function would continue to be performed by the Harris County Tax Assessor. The attorney for the District was requested to solicit a proposal for the Board's consideration.

7. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved the pay estimates reflected in the report and authorized advertisement for bids for underground utilities to serve Wildwood at Oakcrest North, Section 20, Enclave at Northpointe, Section 7, and Enclave at Northpointe, Canyon Drive extension. The engineer presented a submerged storm sewer agreement for the Telge Ranch detention facility which was approved by the Board. Mr. VanderWilt also advised that he had responded

to numerous questions regarding the Tomball Fire Department water line relocation and that the invoice had not yet been paid by the Fire Department. The Board discussed the preparation of an application to the TCEQ for the issuance of bonds, and Mr. Dane Plumbley of Friendswood Development requested the Board consider reimbursing Friendswood from surplus capital projects funds. The Board agreed to consider the matter once additional information is provided regarding the availability of surplus capital projects funds and reimbursable costs due Friendswood pursuant to the reimbursement agreement. Mr. VanderWilt then advised that Harris County MUD 416 has a bond application pending at the TCEQ and that the reviewer has indicated a need for the District to renew its elevated water storage tank waiver originally issued in 2007. The Board discussed the matter and authorized the engineer to prepare the necessary data to renew the waiver. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

8. The Board then recognized Mr. Peter Barnhart who advised that Caldwell Companies has contracted to purchase 53 acres in the area of Village of Indian Trails. Mr. Barnhart reviewed with the Board a proposed land plan and advised that Caldwell is in the early stages of determining how the property should be developed. The Board discussed the District's service area and the terms of a reimbursement agreement, and upon unanimous vote, authorized the District's attorney and engineer to proceed with the annexation provided Caldwell pay all costs related thereto.

9. The Board then considered a petition to the City of Houston for annexation of 83.225 acres, including four tracts as reflected in the petition, and upon unanimous vote, the petition was approved by the Board.

10. The Board then reviewed proposals received from Municipal Risk Management for arbitrage review, and upon unanimous vote, the proposals were accepted by the Board.

11. The Board then discussed adoption of a travel reimbursement policy, and it was agreed that the attorney for the District distribute a draft policy for consideration at the next Board meeting.

12. The Board then recognized the developers and engineers for various subdivisions in the District, each of whom reported on the status and plans for the respective developments.

13. The Board then recognized Mr. Keith Conrad of Republic Waste who presented a proposal for automated collection of solid waste in the District. The Board discussed the proposal and agreed to continue with the current collection method.

14. The Board then discussed development of a District website, and it was reported that the domain name previously obtained by the District remains available. Director Fischer advised that he had obtained an informal proposal for the development of a website, and the Board agreed that a second proposal should be solicited and that Directors Fischer and Milberger should make a recommendation to the Board regarding the most favorable proposal at the next Board meeting.

15. President Collins then engaged the Board in a discussion regarding development of parks and recreational facilities in the District, and after discussion it was agreed that the consultant that assisted the District in development of its park plan should be requested to submit a proposal for updating the plan.

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

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Secretary