

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors
March 16, 2017

The Board of Directors ("Board") of Northwest Harris County Municipal Utility District No. 5 ("District") met at 14701 Spring Cypress Road, Cypress, Texas, on March 16, 2017, 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. Bob Wanninger of Lakeland Development Company, Mr. Jason Hajduk of IDS Engineering, Ms. Kayla Crigger and Mr. Charles LaConti of Municipal Accounts & Consulting, Mr. Dane Plumbley of Lennar Homes, Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc., Mr. Ken Love of Municipal District Services, LLC, Deacon McElrad of Word of God Church, Officers from the Harris County Constable's Office, 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 recognized Deacon McElrad who advised that the Word of God Church has acquired a tract of land outside the boundaries of the District and is in need of water and sanitary sewer service. The Board acknowledged its previous agreement to provide the service with the understanding that the church would pay the non-taxable entity tap fee calculated by the District's engineer. Mr. VanderWilt addressed the Board and discussed alternative routes for providing sanitary sewer service and reviewed with the Board the calculation of the non-taxable entity tap fee. The Board discussed the options and agreed that a gravity sanitary sewer line would be the best alternative for service. Mr. VanderWilt advised that he estimates the gravity line to cost approximately \$70,000. The Board discussed the matter and agreed to allow the church to install a septic system with the understanding that when the church is ready to expand and is in need of sanitary sewer service from the District that the District would provide the service from the facilities available at the time of the request.

2. The Board then recognized Officers from the Harris County Constable's Office who reported on law enforcement activity during the previous month.

3. The Board considered the minutes of the meeting of February 16, 2017, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

4. 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, 2017. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

5. The Board then reviewed the operator's report reflecting 29 taps during the previous month bringing the total connections in the District to 6,136. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 94.3% 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. 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. Mr. Love reported on failure of a blower motor at wastewater treatment plant no. 2, and the Board considered either repair or replacement of the motor. After discussion, the operator was authorized to proceed with repair as discussed. 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.

6. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2016 taxes are 94.31% collected.

7. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. Mr. VanderWilt reported that he had met with the contractor on the Grant Road water line relocation and as a result of changes to the project resulting from construction, there should be certain unit price/quantity adjustments which will result in a change order of \$18,208. The Board discussed the matter and approved the change order as presented. Mr. VanderWilt then reviewed with the Board proposals from Storm Water Solutions for repair of erosion to the Rock Creek detention facilities. The Board discussed the alternatives for the repair and potential sharing of the cost thereof with the Rock Creek Homeowners' Association. After discussion, it was agreed that a committee should be formed including Directors Milberger and Adams to consider the alternatives and an appropriate cost sharing agreement and make a recommendation to the Board. The Board approved the pay estimates reflected in the report and considered a revised proposal for water plant no. 3 improvements. After discussion, the proposal was accepted by the Board. Mr. VanderWilt reported on the status of the District's pending bond application and the status of design of improvements to wastewater treatment plant no. 2 and water plant no. 1, including the conversion to bleach and the emergency eyewash station at all facilities. The engineer presented a bid tabulation for the sanitary sewer extension between lift station 10 and Shaw Road to serve Fuel Chief, and upon unanimous vote, the Board authorized award to the low bidder, Canyon Construction Company, Inc., with a bid in the amount of \$129,051.76. Mr. VanderWilt then presented a request for annexation and utility service from the owner of the Valero station on Telge Road. The Board discussed the matter and the location

of the water and sewer facilities and agreed to annex the property provided the property owner pays all costs of annexation and further confirmation by the engineer that the elevation of the property will not impede sanitary sewer service. The Board then considered a proposal from the engineer for a water reuse study, and upon unanimous vote, the proposal was accepted by the Board. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

8. The Board then considered an amended bond application as requested by the TCEQ, and upon unanimous vote, the amended application was approved by the Board.

9. The Board then reviewed a proposed amended budget, and after discussion, upon unanimous vote, the Board adopted the attached resolution approving the amended budget.

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



Secretary