

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors
April 20, 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 April 20, 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 Ms. Katie Golzarri of Clark Condon, Mr. Bob Wanninger of Lakeland Development Company, Mr. Jason Hajduk of IDS Engineering, Mr. Charles LaConti of Municipal Accounts & Consulting, Mr. Greg Coleman of Beazer Homes, 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 March 16, 2017, 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, 2017. Mr. LaConti presented a letter stating that following a review of uncompleted projects with the District's engineer, the District has surplus capital projects funds of \$5,753,393.55. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

3. The Board then reviewed the operator's report reflecting 57 taps during the previous month bringing the total connections in the District to 6,173. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 93.2% 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. Mr. Love reported that all commercial water meters in the District had been tested during the previous month and had been repaired or replaced as needed. Mr. Love presented the water audit required pursuant to the Water Conservation Plan and the Texas Water Development Board. The operator also advised that a resident had complained about the need to paint the water plant no. 2 control building. The Board agreed to review photographs of the building prior to deciding on the need for repainting. 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.

4. 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 97% collected.

5. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The engineer advised that on April 10, 2017 CES Utilities had notified the engineer that it would be unable to complete the water line relocation in Grant Road. The attorney advised that he had notified the surety on the performance bond and is communicating with the attorney for the surety. The Board discussed the matter and acknowledged the need to move the line without delay to avoid interference with the road widening by Harris County. Mr. VanderWilt reported that he had discussed the matter with the County's contractor, Angel Brothers Construction Company, and recommended that the Board contract with Angel Brothers to relocate the line on an emergency basis without advertisement for bids and with notice to the TCEQ as required by law. The Board discussed the matter and agreed to proceed with Angel Brothers on an emergency basis provided Angel Brothers provides a reasonable bid for the work. Mr. VanderWilt reported that he had met with Directors Adams and Milberger to inspect erosion at the Rock Creek detention pond. The Board discussed the matter and requested the engineer develop four different methods for repair of the erosion, including installation of bulk heads. The Board approved all pay estimates reflected in the report and reviewed with the Board the status of design and construction of utilities as reflected in the report. The engineer reported on updating the GIS data base and the analysis supporting the District's elevated water storage tank waiver, as well as design of the water plant no. 3 improvements and the applications to the TCEQ for renewal of the District's waste discharge permits. Mr. VanderWilt reported on correspondence with the TCEQ regarding the District's bond application and reported on the status of design of the bleach conversion of wastewater treatment plant no. 2 and water plants no. 1 through 4. The engineer also presented a calculation of the District's utility cost per connection for use in providing service to non-taxable entities in the District. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

6. The Board considered a request for a utility commitment to the proposed dental clinic in Wildwood at Northpointe Commons South, and upon unanimous vote, the utility commitment was approved by the Board.

7. The Board then recognized Ms. Katie Golzarri who presented a plan for development of parks and trails in the District. The consultant advised that the focus has been on phasing and connectivity and reviewed various options with the Board. The Board agreed to continue to develop the plan for further consideration.

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



Secretary