

## NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors  
October 20, 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 October 20, 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. Jason Hajduk of IDS Engineering Group, Mr. Brian Gibson and Mr. Dane Plumbley of Friendswood Development, Ms. Julie Peak of First Southwest, Ms. Hoffmeister, a resident in the area of Water Plant No. 2, Mr. Matthew May of Best Trash, Mr. Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC, Ms. Kayla Crigger and Mr. Charlie LaConti of Municipal Accounts & Consulting, L.P., 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 acknowledged a vacancy in the office of investment officer, and upon unanimous vote, the Board adopted the attached order designating Mr. Mark Burton and Ms. Gia Lewis as the District's investment officers.

2. The Board acknowledged publication of notice of a public hearing to consider a \$0.78 tax rate for the year 2016. The Board opened the meeting for public comment or question and, hearing none, the hearing was closed. The Board then considered the attached order adopting the District's 2016 tax rate, and upon unanimous vote, the order was approved and executed.

3. The attorney for the District then advised that the City of Houston had adopted an ordinance consenting to the annexation of four tracts of land totaling 57.29 acres, and upon unanimous vote, the Board adopted an order adding the 57.29 acres.

4. The Board then considered a Resolution Authorizing Bond Application and application to the Texas Commission on Environmental Quality requesting approval for

issuance of bonds, and upon unanimous vote, the resolution and bond application were approved by the Board.

5. The Board then discussed the District's Industrial Waste Order and agreed that it would be appropriate to adopt an amended Industrial Waste Order. After discussion, upon unanimous vote, the Industrial Waste Order was approved by the Board.

6. The Board then discussed the District's Rate Order and agreed that it would be appropriate to adopt an amended Rate Order with a current effective date. After discussion, upon unanimous vote, the Board adopted an amended Order Establishing Rates and Policies for the provision of service in the District.

7. The Board then considered a request from Samar Business, Inc. for the allocation of 10.37 equivalent single-family connections of utility capacity to its property just annexed into the District, and upon unanimous vote, the Board approved a utility commitment reflecting the same.

8. The Board then recognized Ms. Julie Peak who reviewed with the Board the schedule for issuance of the proposed bond anticipation note. Ms. Peak presented a document appointing a placement agent for the BAN, and upon unanimous vote, the appointment was approved by the Board.

Ms. Peak also presented a proposed fee schedule from First Southwest for service as the District's financial advisor for sale of the BAN, and upon unanimous vote, the fee agreement was approved by the Board. The Board also authorized solicitation of bids for the BAN.

9. The Board then discussed with Mr. Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC the required limited scope examination of expenditure of BAN proceeds. Mr. Jenkins presented a proposal to perform the review, and upon unanimous vote, McCall Gibson was engaged to perform the limited scope examination.

10. Director Fischer then addressed the Board and advised that all revisions to the District's website suggested by Board members and consultants had been made and that with Board approval the website would go live. The Board discussed the matter and authorized Director Fischer to instruct the website consultant to activate the website. The Board also agreed that it would be appropriate to put a notice on the District's water bill that the website is available for viewing.

11. The Board discussed development of parks and recreational facilities in the District, and Director Milberger reported on a meeting with Harris County Precinct 4 and the possibility of joint venturing park projects. Director Milberger advised that three proposals from park consultants would be solicited for development of a park plan. The Board discussed landscaping along Louetta and Grant Roads but deferred any action to a future Board meeting.

12. The Board considered the minutes of the meetings of September 15, 2016 and September 28, 2016, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

13. 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.

14. The Board then reviewed the operator's report reflecting 58 taps during the previous month bringing the total connections in the District to 5,941. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 100.5% 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 discussed with the Board the installation of electronic meters in the District, and it was agreed that the engineer and operator develop a recommendation for Board consideration. 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.


15. 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 99.70% collected.

16. The Board then recognized Mr. James Parker who presented the engineer's report. The Board approved all pay estimates and change orders reflected in the report and authorized advertisement for bids for construction of underground utilities to serve Wildwood at Oakcrest North, Sections 20 and 22. Mr. Parker advised that Harris County will require a submerged storm sewer agreement for the storm sewer at Enclave at Northpointe, Section 7, and upon unanimous vote, the agreement was approved by the Board. The engineer also reported that the Tomball Fire Department had made payment for relocation of the water line and fire hydrant pursuant to the agreement with the District. The Board reviewed a bid tabulation for the relocation of utilities for the Grant Road widening, and upon unanimous vote, the Board authorized award of the contract to CES Utilities with a low bid of \$239,515. The Board considered a proposal for design of the conversion of wastewater treatment plant 2 and water plants 1, 2, 3 and 4 from chlorine gas to bleach, and upon unanimous vote, the proposal was accepted by the Board. The engineer requested authorization to receive bids electronically and presented a certification that the software to be used in receipt of bids is designed to insure the identification, security and confidentiality of the bids. The Board discussed the matter and authorized the engineer to receive bids electronically as requested. Mr. Parker also reported that the prepurchase inspection had been conducted for all subdivisions included in the bond application with no deficiencies identified. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

17. The Board then recognized Ms. Hoffmeister who complained about the condition of the access road to water plant no. 2. The Board advised that it had investigated the matter thoroughly and will continue to maintain the road as needed for access to water plant no. 2. Ms. Hoffmeister expressed her opinion that the road is in need of improvement and advised

that she would not be contributing to the cost of any improvement. No action was taken on the matter.

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

  
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Secretary