

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors
September 15, 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 September 15, 2016, in accordance with the duly posted notice of the meeting, with a quorum of directors present as follows:

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

and the following director absent:

Larry L. Milberger, Vice President

Also present were Mr. Nick Atensio, a resident of Lakewood Oaks Estates Subdivision, Mr. Dane Plumbley of Friendswood Development, Ms. Kay Serventi of Republic Services, Mr. Jason Hajduk of IDS Engineering Group, Ms. Julie Peak of First Southwest Company, Mr. Bob Wanninger of Lakeland Development Company, officers from the Harris County Constable's Office, Mr. Bob Ideus of Municipal Business Services, Inc., Mr. Jon VanderWilt and Mr. James Parker 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 recognized officers from the Harris County Constable's Office who presented an analysis of the number of homes in the District, the call volume, and the volume per patrolling officer. The officers requested the District consider adding two constables to the District on the contract renewal date. The Board discussed the matter briefly and agreed to defer consideration to a future Board meeting.

2. The Board considered the minutes of the meeting of August 18, 2016, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

3. 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. Ideus advised that he is on schedule to deliver the books to the auditor before the end of September. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

4. The Board then reviewed the operator's report reflecting 39 taps during the previous month bringing the total connections in the District to 5,914. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 99.8% 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. The Board discussed the condition of the fence in the area of the Reserve at Cypress Creek lift station, and Director Fischer advised that the operator had completed minor repairs to the fence. The Board discussed alternatives, including removal of the fence or replacement thereof and agreed to defer any further action for the present time. The Board reviewed correspondence received from the Texas Commission on Environmental Quality regarding a compliance investigation of the District's water system and reflecting no violations. 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.

5. 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 99.64% collected.

6. The Board recognized Ms. Julie Peak of First Southwest Company who presented a recommendation with respect to the District's 2016 tax rate. The Board discussed the matter, and upon unanimous vote, the Board authorized publication of notice of a public hearing to be held at the next regularly scheduled Board meeting to consider a debt service tax rate of \$0.71 and a maintenance tax of \$0.07 for a combined total of \$0.78 per \$100 assessed valuation.

7. The Board then considered a proposed tax consulting contract with Mike Arterburn, RTA, and upon unanimous vote, the contract was approved by the Board.

8. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved all pay estimates reflected in the report, as well as change order no. 1 to the Hayden Lakes lift station no. 1 contract. The Board considered bid tabulations for the Telge Ranch, Section 1 underground utilities and the Telge Ranch lift station, and upon unanimous vote, the Board authorized both contracts to be awarded to the low bidder as recommended by the engineer. Mr. VanderWilt reported that the bid opening for relocation of utilities for the Grant Road widening had been delayed to obtain final plan review comments from the county and North Harris County Regional Water Authority. The engineer advised that during the Louetta Road improvements the county had discovered a conflict with a District water line and that the District's operator had relocated the water line as needed. Mr. VanderWilt thanked Mr. Love and MDS for the quick response. The Board discussed the proposed conversion of the District's facilities from chlorine gas to bleach and discussed the anticipated cost of the project. Mr. VanderWilt advised that upon development of final plans for the conversion the estimated cost will be reviewed with the Board prior to proceeding. The engineer reported on the status of pending an proposed annexations into the District. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

9. The Board discussed the need for a letter to Harris County regarding maintenance of the Telge Ranch detention facility, and upon unanimous vote, the Board authorized the President to execute the letter and further approved a Detention Pond Maintenance Agreement with Telge Ranch Community Association, Inc.

10. The Board then considered the District's Water Conservation Plan, and upon unanimous vote, an updated version of the plan was adopted by the Board.

11. The Board then considered the District's Drought Contingency Plan, and upon unanimous vote, an updated version of the plan was adopted by the Board.

12. The Board then considered a proposed utility financing and reimbursement agreement KAC Properties, LLC for the proposed dental clinic on Autumn Haze Lane, and upon unanimous vote, the agreement was approved and executed.

13. The Board then considered a proposal from Edminster, Hinshaw, Russ & Associates for revision of the District's park plan, as well as proposals for the collection of solid waste in the District. It was agreed that all proposals be considered at a future Board meeting.

14. The Board then recognized Mr. Nick Atensio, a resident of Lakewood Oaks Estates Subdivision, who provided comments and complaints regarding trash collection in the subdivision and requested the Board consider landscaping the Grant Road esplanade following widening of Grant Road by Harris County.

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



Secretary