

**NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5**  
Minutes of Meeting of Board of Directors  
September 21, 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 September 21, 2017, 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 absent:

Larry L. Milberger, Vice President.

Also present were Mr. Jason Hajduk of IDS Engineering Group; Ms. Kayla Crigger of Municipal Accounts & Consulting; Mr. Dane Plumbley of Lennar Homes; Mr. Greg Coleman of Beazer Homes; Mr. Jon VanderWilt of Costello, Inc.; Mr. Ken Love of Municipal District Services, LLC; Mr. David Glunt of Heritage Homes; Sergeant Ernie Gonzales of the Harris County Constable's Office; Mr. Jarrod Payne of Caldwell Companies; residents of Lakewood Oaks Estates; 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 Sergeant Ernie Gonzales of the Harris County Constable's Office who presented the law enforcement report for the previous month. The Board thanked Sergeant Gonzalez for the service provided.

2. The Board then recognized representatives of Lakewood Oaks Estates subdivision who requested the Board consider landscaping the esplanade in Grant Road. The Board advised that a landscaping contract had been entered into with the Rock Creek Homeowners Association and the District would be amenable to a similar agreement among the Lakewood Oaks Estates Homeowners Association, the Fairwood Homeowners Association and the District. The attorney for the District was requested to provide a copy of the Rock Creek contract, and it was agreed that the Lakewood Oaks Estates representatives would discuss the matter with the Fairwood Homeowners Association and present a proposed plan for the landscaping.

3. The Board considered the minutes of the meeting of August 17, 2017, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

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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, 2018. 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 52 taps during the previous month bringing the total connections in the District to 6,413. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 90.5% 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 advised the Board that there had been damage to the District's facilities during Hurricane Harvey, including flooding of the District's administration building. The Board discussed the District's insurance coverage and requested that Mr. Love file an insurance claim for all damages. Mr. Love recommended replacement of a blower motor at a cost of \$4,653, which was approved by the Board. After discussion by the Board, upon unanimous vote, the Board approved the operator's report.

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 99.07% collected.

7. The Board then reviewed a cash flow analysis and recommendation with respect to the District's 2017 tax rate. The Board reviewed the analysis and recommendation and after discussion, upon unanimous vote, the Board authorized publication of a Notice of a Public Hearing to be held at the next regularly scheduled Board meeting to consider a 2017 debt service tax of \$0.71 and a maintenance tax of \$0.07, for a total tax rate of \$0.78 per \$100 assessed valuation.

8. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved all pay estimates reflected in the report and Mr. VanderWilt reported on the status of all construction projects in progress. The engineer reported that as a part of the elevated water storage tank waiver, the District needs certain data related to the District's water production which requires the District's SCADA system. Mr. VanderWilt indicated that the SCADA systems needs repair and the Board agreed to solicit the opinion from two professionals with respect to the same. The engineer reported on the status of the waste discharge permit renewals and the conversion of the District facilities from chlorine gas treatment to bleach. Mr. VanderWilt discussed with the Board the rerouting of the Telge Road water line and advised that it would require the relocation of a force main by the County pursuant to an interlocal agreement. The attorney was requested to assist with drafting the agreement. The Board discussed a proposed development of 230 acres by Mr. David Glunt on what is referred to as the "Lawson Tract". The Board discussed the District's remaining bond authority and the long range planning meeting to be held in October. The Board advised that should the District have sufficient remaining bond authority, that it would generally be inclined to annex the property and participate in the development. The Board discussed the status of plans

for the park and trail project and agreed to discuss the matter further at a future Board meeting. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

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

  
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Secretary