

## NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

October 19, 2017

The Board of Directors ("Board") of Northwest Harris County Municipal Utility District No. 5 ("District") met at the Rock Creek Community Association Main Clubhouse, 14223 Winding Springs Drive, Cypress, Harris County, Texas, on October 19, 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 absent:

None.

Also present were Mr. Bob Wanninger of Lakeland Development Company; Mr. Jason Hajduk of IDS Engineering Group; Ms. Kayla Crigger of Municipal Accounts & Consulting; Mr. Dane Plumbley of Lennar Homes; Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc.; Ms. Katie Golzarri of Clark Condon; Mr. Ken Love of Municipal District Services, LLC; Mr. Jarrod Payne of Caldwell Companies; Mr. Rick Haddock of Sweitzer + Associates, interested residents of the District; 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 September 21, 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, 2018. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

3. The attorney for the District then reviewed with the Board recent legislation requiring amendment of the District's investment policy. The attorney shared with the Board a memorandum related to the legislation and recommended amendment of the District's investment policy. After discussion, upon unanimous vote, the Board approved an Amended Investment Policy.

4. The Board then reviewed the operator's report reflecting 22 taps during the previous month bringing the total connections in the District to 6,441. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 96.4% 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. 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. Mr. Love then presented a proposed amendment to the operator's contract. The Board discussed the matter, and upon unanimous vote, the operator's contract was amended as proposed.

6. The Board then considered amendment of the District's rate order to address the increased fees in the operator's contract, and upon unanimous vote, the rate order was amended effective November 1, 2017.

7. The Board acknowledged publication of Notice of a Public Hearing to consider the District's tax rate for the year 2017. The Board opened the meeting for public comment. The Board received comments and questions from the public and responded to the same. The Board then considered the attached Order adopting the District's 2017 tax rate, and upon unanimous vote, the Order was approved and executed.

8. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved the pay estimates and change orders reflected in the report, and Mr. VanderWilt advised that the engineer is investigating a new design for the Rock Creek Lake erosion project. The engineer reported that all bleach conversion projects are complete, and reviewed with the Board the status of the other projects that appear on the report. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

9. The Board discussed Hurricane Harvey and FEMA relief under Federal Disaster DR-4332, as well as the deadline for filing for public assistance under FEMA regulations. The attorney advised that he filed the required Request for Public Assistance, Designation of Subrecipient Agent, and Direct Deposit Authorization in connection with the District's FEMA claim, and establishing Mr. Richard Morrison of Smith, Murdaugh, Little & Bonham, L.L.P. as the primary agent, the District's operator as the secondary agent, and Mr. James Bonham as the certifying official. The Board approved and ratified the filing and authorized the designated agents to execute such documents as are necessary to obtain the requested relief and assistance.

10. The attorney for the District then advised the Board that in the most recent session of the legislature, House Bill 89 and Senate Bill 252 were passed and are now effective. The attorney distributed memos regarding both bills and advised that House Bill 89 prohibits governmental entities from entering into a contract with a company for goods or services unless the contract contains verification from the company that it does not and will not boycott Israel

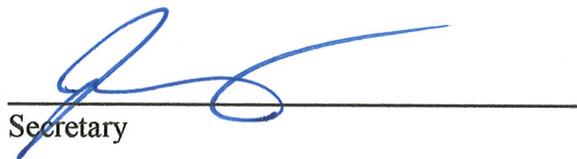
during the term of the contract. Senate Bill 252 prohibits governmental entities from entering into a contract for general construction, and improvement, a service, a public works project, or for the purchase of supplies, materials, or equipment with a company engaged in active business operations with Sudan, Iran, or a foreign terrorist organization. The attorney instructed the District's consultants to ensure compliance with House Bill 89 in any contract handled by the consultants, and discussed with the Board the manner in which the District would comply with Senate Bill 252.

11. The Board then recognized Mr. Rick Haddock who presented a proposed design for the landscaping in Louetta Road pursuant to the agreement with the Rock Creek Homeowners Association. The Board reviewed the design and Mr. Haddock responded to questions. After discussion, upon unanimous vote, the Board approved the design and authorized the landscape architect to proceed.

12. The Board then recognized Ms. Katie Golzarri who reviewed with the Board progress made on the design of the park and trails project. The Board discussed various matters related to the alignment of the trails and access and discussed with the attorney efforts to obtain easements for the project.

13. The Board then recognized residents of the District who discussed with the Board observations of flooding during Hurricane Harvey, including excessive water entering Rock Creek subdivision from adjacent areas. The Board discussed the matter and requested that the residents assist the District's engineer in investigating a solution. The engineers agreed to provide their findings to the Rock Creek Homeowners Association.

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

  
Secretary