

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

January 18, 2018

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 January 18, 2018, 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 Wanniger of Lakeland Development Company, Mr. Jason Hajduk of IDS Engineering Group, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Greg Coleman of Beazer Homes, Mr. James Parker, Mr. Jon VanderWilt and Mr. Keith Biele of Costello, Inc., Ms. Katie Golzarri and Mr. Jason Buckley of Clark Condon, Mr. Ken Love and Mr. Austin Muse of Municipal District Services, LLC, Mr. Rick Haddock of Sweitzer + Associates, Mr. Nick Atencio of Lakewood Oaks Estates Homeowners Association, Ms. Christie Leighton of Best Trash, Mr. Jarrod Payne of Caldwell Companies, interested residents of the District, officers from the Harris County Constable’s Office, 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 provided the monthly law enforcement report. The Board also considered the proposed contract with the Harris County Constable’s Office for 2018, and upon unanimous vote, the contract was approved and executed.

2. The Board then recognized Ms. Christie Leighton of Best Trash who provided a letter regarding the Consumer Price Index increase in the garbage collection fee. The Board acknowledged that the increase is consistent with the terms of the contract.

3. The Board considered the minutes of the meeting of December 7, 2017, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

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 31 taps during the previous month bringing the total connections in the District to 6,570. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 93.3% 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 reported minor issues related to the recent cold weather and reported on the status of repair of the District's office building. Mr. Love recommended replacement of the soft start mechanism at Wastewater Treatment Plant No. 2, which was approved by the Board. The operator also recommended rebuilding the lift station pump at Wastewater Treatment Plant No. 1, which was also approved by the Board. 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. The Board also authorized a schedule delinquent accounts to be written off as uncollectible.

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 99.35% collected.

7. The Board then considered the attached Order adopting an over 65 or disabled tax exemption for the 2017 tax year, and upon unanimous vote, the Order was approved by the Board.

8. The Board then considered the requirement for a directors election to be held May 5, 2018, and upon unanimous vote, the Board adopted the attached order calling the May 5, 2018 election.

9. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved the pay estimates reflected in the report. Mr. VanderWilt advised that nine bids had been received for the Water Plant No. 3 improvements, and after review, the Board authorized award of the contract to Long and Son, including alternate No. 2 for a bid price of \$1,050,290. The engineer reported that the Louetta Road irrigation system repairs had been completed and discussed with the Board the Storm Water Solutions proposal for turf establishment at the Treeline North Detention Pond. It was agreed that the matter be deferred pending soil test results. The engineer discussed with the Board the reimbursable costs associated with the Treeline North storm water pollution prevention program, and after discussion, it was agreed that the District file an application with the Texas Commission on Environmental Quality for use of surplus funds to cover the matter. The engineer also discussed with the Board the need to conduct an additional drainage study in the Wildwood at Oakcrest North and Hayden Lakes area, and it was agreed by the Board that the additional cost be paid from the surplus capital

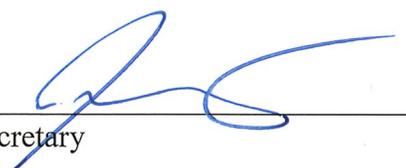
projects fund and be included in the District's application to the TCEQ. The Board then discussed the procedure for renewal of the storm water quality permits in the District, and upon unanimous vote, it was agreed that Storm Water Solutions should be authorized to sign the permit applications on the District's behalf. The Board then considered a paving maintenance agreement with the Hayden Lakes Homeowners Association, and upon unanimous vote, the agreement was approved by the Board. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

10. The Board recognized Ms. Katie Golzarri and Mr. Jason Buckley who reviewed with the Board proposed signage for the District's park and trail project and discussed further the proposed alignment of the trail. The Board discussed acquisition of the necessary easements and the engineer was requested to provide metes and bounds descriptions to allow the attorney to proceed with acquisition of easements.

11. The Board then recognized Mr. Rick Haddock who reported on the Louetta Road landscape and irrigation design. Mr. Haddock reported on the solicitation of bids and it was agreed by the Board that additional bids be obtained prior to award.

12. The Board then recognized Mr. Nick Atencio and discussed the status of the proposed contract among the District, Lakewood Oaks Estates HOA, and Fairwood HOA. It was agreed that it may be appropriate to execute an interlocal agreement with Harris County to allow for maintenance of the landscaping and the engineer was requested to discuss the matter with the County.

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


Secretary