

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

February 15, 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 February 15, 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, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc., Ms. Katie Golarri of Clark Condon, Mr. Ken Love of Municipal District Services, LLC, Mr. Bill Sweitzer of Sweitzer + Associates, Mr. Nick Atencio of Lakewood Oaks Estates Homeowners Association, Mr. Jarrod Payne of Caldwell Companies, Constable Ernie Gonzalez from the Harris County Constable's Office, Mr. Kai Dussling of Augusta Landscaping, Mr. David Beyer of Storm Water Solutions, 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 January 18, 2018, 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 Board recognized Officer Ernie Gonzalez of the Harris County Constable's Office who provided the law enforcement report for the previous month.

4. The attorney for the District then discussed with the Board recent legislation requiring the filing of certain financial information with the Texas Comptroller's Office pursuant to Senate Bill 625 (Texas Local Government Code, Chapter 203, Subchapter D).

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The Board discussed the matter and authorized the attorney to prepare and file the required report.

5. The Board then recognized Mr. Kai Dussling who expressed his interest in providing landscape services for the Louetta Road project. The Board discussed the condition of the Spring Cypress landscaping maintained by Augusta Landscape and the drip irrigation system considered by the Board.

6. The Board then recognized Mr. Nick Atencio who reported that Lakewood Oaks Estates is prepared to approve the landscape maintenance agreement among the District, Fairwood HOA and Lakewood Oaks Estates HOA with the understanding that an interlocal agreement allowing access would be entered into with Harris County. Mr. Atencio also advised that an agreement between Fairwood HOA and Lakewood Oaks Estates HOA regarding cost-sharing is near completion.

7. The Board then recognized Mr. Bill Sweitzer who presented a bid tabulation for the Louetta Road landscape and irrigation improvements, and upon unanimous vote, the Board accepted the low bidder, Site Landscaping Services, with a bid in the amount of \$46,950. The Board rejected the alternate for the drip irrigation system.

8. The Board then recognized Ms. Katie Golzarri who reported on the status of design of the park and trail facilities and advised that a meeting is being scheduled with the Harris County Flood Control District to discuss use of the Flood Control's easements.

9. The Board then reviewed the operator's report reflecting 34 taps during the previous month bringing the total connections in the District to 6,593. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 92.4% 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.

10. The Board then considered the attached Resolution Affirming Identity Theft Prevention Program and confirmed with the operator that the program is in place and is being properly administered. After discussion, upon unanimous vote, the Resolution was approved by the Board.

11. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2017 taxes are 89.89% collected.

12. The Board then considered the attached Order engaging a delinquent tax attorney and levying an additional 20% penalty on 2017 taxes which remain delinquent on July 1, 2018. After review and discussion, the Board engaged the delinquent tax attorney and adopted the Order levying the penalty.

13. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The engineer presented a revised budget and amended contract with Storm Water Solutions. After discussion, upon unanimous vote, the contract and budget were approved by the Board. The Board approved the pay estimates reflected in the report and discussed remedial work proposed at the Treeline North Estates Detention Pond. After discussion, the Board accepted a proposal from Storm Water Solutions for the remediation. Mr. VanderWilt reported that the draft waste discharge permit for Sewage Treatment Plant No. 1 had been received and the draft for Sewage Treatment Plant No. 2 is anticipated in the near future. The engineer reported that the engineering report for the District's anticipated water, sewer and drainage bond application will be completed for filing in March, and the report for the parks and recreational facility bond issue will follow shortly thereafter. The engineer reported on the drainage study in Rock Creek, Section 9 and recommended removal of the fence that is blocking the overflow swale. The engineer also recommended replacement of the floatable collection screen in the Treeline, Section 2 and 3 stormwater quality feature, and the Board accepted a proposal from Storm Water Solutions to replace the facility. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

14. The Board considered an interlocal agreement with Harris County to relocate utilities for the Telge Road widening, and upon unanimous vote, the interlocal agreement was approved by the Board.

15. The Board then considered an application to the Texas Commission on Environmental Quality for the use of surplus funds, and upon unanimous vote, the application was approved by the Board.

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



Secretary