

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

March 15, 2018

The Board of Directors ("Board") of Northwest Harris County Municipal Utility District No. 5 ("District") met at 14701 Spring Cypress Road, Cypress, Harris County, Texas, on March 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 Ms. Julie Peak of Hilltop Securities, Mr. Bob Wanniger of Lakeland Development Company, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Dane Plumbley of Lennar Homes, Mr. Ken Love and Mr. Austin Muse of Municipal District Services, LLC, Mr. Jarrod Payne of Caldwell Companies, officers from the Harris County Constable's Office, 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 then recognized officers from the Harris County Constable's Office who provided the monthly law enforcement report.

2. The Board then considered a proposed First Amendment to the contract with Storm Water Solutions, and upon unanimous vote, the amendment was approved by the Board.

3. The Board considered the minutes of the meeting of February 15, 2018, 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.

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5. The Board then reviewed the operator's report reflecting 66 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 88.7% 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.

6. 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 95.03% collected.

7. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. Mr. VanderWilt advised that the bleach conversions for Wastewater Treatment Plant No. 2 and the water plants are complete, but Water Plant No. 3 is on a loaner pump pending receipt of new pumps. The Board approved the pay estimates reflected in the report and reviewed the status of the contracts and projects reflected therein. Mr. VanderWilt reported that it appeared that the property at 16104 Telge Road, which the District committed to annex, is in the floodway, therefore, the engineer recommended the District advise the landowner that the annexation will proceed only following Harris County Flood Control Approval of the development. Mr. VanderWilt also advised that the owners of the Patterson Business Park are willing to provide the easements previously discussed. The engineer also presented a request for annexation of a 9-acre tract south of Boudreaux and east of Telge on which an office / warehouse project is proposed. It appeared that there would be no need for a reimbursement agreement or utility extensions, and the Board agreed to proceed with the annexation. The engineer then discussed with the Board the possibility of selling Water Plant No. 4 to Harris County MUD No. 416 and construction of a fifth water plant in an area where the plant can improve water pressure in the District. The engineer advised that he would investigate the matter further and report to the Board. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

8. The Board then considered an application to the Texas Commission on Environmental Quality for authority to issue bonds for water, sewer and drainage improvements, and after review and discussion, the application was approved by the Board. The Board also considered an application to the TCEQ for the issuance of \$8 million in parks and recreational facility bonds, and upon unanimous vote, the application was approved.

9. The Board then discussed the Directors Election called for May 5, 2018. The Board reviewed a Certificate of Unopposed Candidacy and no declared write-in candidates provided by the Secretary of the Board. After discussion, upon unanimous vote, the Board adopted the attached Order Declaring Unopposed Candidates Elected and canceling the election.

10. The Board then considered a proposed landscape improvement and maintenance contract with the Fairwood Homeowners Association and the Lakewood Oaks

Estates Homeowners Association, and upon unanimous vote, the contract was approved and executed.

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



Secretary