

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
Minutes of Meeting of Board of Directors
April 19, 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 April 19, 2018, in accordance with the duly posted notice of the meeting, with a quorum of directors present as follows:

Larry L. Milberger, Vice President
James Adams, Secretary
Charles Fischer, Treasurer

and the following absent:

Jeff P. Collins, President
H. Bruce Gallun, Director.

Also present were Ms. Julie Peak of Masterson Advisors, Mr. Bob Wanniger of Lakeland Development Company, Ms. Erin Leard of IDS Engineering Group, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Greg Coleman of Beazer 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. Nick Atencio of Lakewood Oaks Estates Homeowners Association, 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.

In the absence of the President, the Vice 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 presented the law enforcement report for the previous month.

2. The Board considered the minutes of the meeting of March 15, 2018, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

3. 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. The attorney for the District then discussed with the Board the requirements of Senate Bill 253 and presented a letter to the bookkeeper requesting the bookkeeper and investment officer review the Texas State Comptroller's Office website to identify the investment in any scrutinized companies and to report those investments to the Board. The letter also requests the investment officer include a certification of the review on the quarterly investment report. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

4. The Board then reviewed the operator's report reflecting 56 taps during the previous month bringing the total connections in the District to 6,697. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 97.4% 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. Mr. Love presented the Consumer Confidence Report, and after review by the Board, Mr. Love was authorized to distribute the report to the District's customers. 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. 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 97.34% collected.

6. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board reviewed each project reflected in the report and approved all pay estimates. The Board authorized advertisement for bids for the underground utilities for Enclave at Northpointe, Section 8 and the Northpointe Canyon Drive extension. Mr. VanderWilt reported that the draft waste discharge permit for Wastewater Treatment Plant No. 2 has been received and the permit for Wastewater Treatment Plant No. 1 is under review. The engineer reported that the District's bond applications have been submitted to the TCEQ and advised that he had received correspondence from the Texas Water Development Board regarding financing for a possible water reuse program. The engineer reported that he had been contacted by the owner of the Nabors tract regarding purchase of water from Harris County MUD No. 416. The engineer agreed to investigate the matter further and report to the Board. Mr. VanderWilt then reported on issues related to the Treeline detention pond and the Village Creek detention pond, and after discussion, the engineer was requested to respond to the homeowners associations for the respective subdivisions. The Board discussed a request for annexation of the Shaw Road Learning Center and agreed to proceed with the annexation provided the landowner pay all costs thereof. The engineer also reported that the Patterson annexation request has been withdrawn. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

7. The Board then considered the attached Order annexing 17.279 acres of land, and upon unanimous vote, the Board approved the Order annexing land conditioned on adoption of an ordinance by the City of Houston consenting to the annexation.

8. The Board then discussed the Financial Advisory Contract with Hilltop Securities, and upon unanimous vote, agreed to give notice of termination of the contract to Hilltop.

9. The Board then recognized Ms. Julie Peak who requested the Board consider engaging Masterson Advisors as the District's financial advisor, and upon unanimous vote, the Board engaged Masterson Advisors to serve as the District's financial advisor and executed the proposed Financial Advisory Contract.

10. The Board then recognized Mr. David Beyer who presented three proposals for remedial work in the area of the District's detention facilities. After discussion, upon unanimous vote, the Board accepted the proposals, subject to submission of a TEC Form 1295.

11. The Board then discussed a proposed contract for the Louetta Road esplanade landscaping and irrigation, and upon unanimous vote, the contract was approved by the Board, with the understanding that the document would be executed when completed by the landscape architect.

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



Secretary