

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

May 17, 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 May 17, 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
H. Bruce Gallun, Director

and the following absent:

Jeff P. Collins, President

Also present were Ms. Julie Peak of Masterson Advisors, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Brian Gibson of Lennar Homes, Mr. James Parker of Costello, Inc., Ms. Katie Golzarri of Clark Condon, Mr. Ken Love of Municipal District Services, LLC, Mr. Jarrod Payne of Caldwell Companies, officers from the Harris County Constable's Office, Mr. David Beyer and Ms. Karen Sears of Storm Water Solutions, Mr. Russ Thompson - resident, Ms. Jennifer Lembcke of Valencia Pines Homeowners Association, 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 monthly law enforcement report.

2. The Board considered the minutes of the meeting of April 19, 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. After review and discussion, and 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 6,790. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 98.3% 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. 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 97.77% collected.

6. The Board then considered a resolution requesting the Harris County Appraisal District provide an estimate of value as of June 1, 2018, upon unanimous vote, the resolution was approved by the Board.

7. The Board then recognized Mr. David Beyer of Storm Water Solutions. Mr. Beyer reported on three projects previously approved by the Board and presented a proposal for removal of vegetation at the Treeline Sec. 3 amenity pond. After discussion, the Board accepted the proposal as presented. Mr. Beyer then advised that in order to renew the District's storm water quality permits the county requires a letter designating Storm Water Solutions as an authorized representative of the District. The Board discussed the matter and executed the letter required by the county.

8. The Board then recognized Mr. James Parker who presented the engineer's report. The Board approved the pay estimates reflected in the report as well as change order No. 1 on the Grant Road water line relocation project. Mr. Parker reported on the status of each project reflected in the report and reported on the status of various annexations either in progress or under consideration. The engineer and attorney addressed the Board with respect to the reclaimed water project and advised that a conference call had been held with the Texas Water Development Board regarding the application. After considering the alternatives, the Board agreed to consider an application to the Texas Water Development Board for green funding with an equivalency application, which would require an RFP for minority and women owned business enterprises. The attorney reported that the green funding would only be available in calendar year 2019. Mr. Parker then discussed with the Board the Treeline subdivision request for improvements to prevent recreational vehicle traffic around the detention pond and it was agreed that the matter is the Homeowners Associations responsibility. Mr. Parker also advised that as a result of a request from the Valencia Pines Homeowners Association, he had inspected erosion around the detention pond and discussed with the Board improvements requested by the Homeowners Association. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

9. The Board acknowledge a certification by the District's Secretary regarding election of directors by cancelation of the May 5, 2018 directors election. The directors executed oaths of office, statement of directors, and letters of representation, and the Board acknowledged the directors qualifications to continue to serve.

10. The Board then discussed the election of officers and agreed that the current officers should continue in their present offices.

11. The Board then recognized Ms. Katie Golzarri who reviewed with the Board the hike and bike trail alignment and the status of acquisition of easements for the trail.

12. The Board then considered a proposed Utility Financing and Reimbursement Agreement with Treeline Golf Club, Inc., and upon unanimous vote, the agreement was approved and executed.

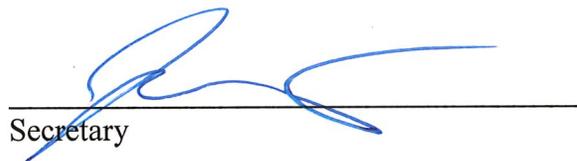
13. The Board then considered a utility commitment in favor of Cypress Shaw Investments, L.L.C., and upon unanimous vote, the utility commitment was approved by the Board.

14. The Board then recognized Mr. Brian Gibson of Lennar Homes who reported on home sales and closings by Lennar.

15. The Board then recognized Mr. Jarrod Payne who reported on the acquisition of property in the area of the District, which will be annexed with the consent of the City of Houston.

16. The attorney for the District then advised that the operator has reported the District's insurance claim related to Hurricane Harvey has been approved and asked the Board to consider the need to continue to pursue a FEMA claim. After discussion, it was agreed that the FEMA claim is no longer necessary.

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


Secretary