

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

June 28, 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 June 28, 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
H. Bruce Gallun, Director

and the following absent:

Jeff P. Collins, President
Charles Fischer, Treasurer.

Also present were Mr. Bob Wanninger of Lakeland Development Company, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Brian Gibson of Lennar Homes, Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc., Ms. Katie Golarri and Mr. Jason Buckley of Clark Condon, Mr. Austin Muse of Municipal District Services, LLC, officers from the Harris County Constable's Office, Mr. Jeoff Krontz, a resident of Treeline North subdivision, 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 Constables office who presented the law enforcement report for the previous month.

2. The Board considered the minutes of the meeting of May 17, 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 bookkeeper presented a draft budget for the Fiscal Year Ending July 31, 2019, to be considered at the next Board meeting. 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 40 taps during the previous month bringing the total connections in the District to 6,816. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 98.1% of the water pumped during the previous month had been accounted for, and the report reflected no waste discharge permit violations during the reporting

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period. The operator presented a report on the inspection of fire hydrants in the District and recommending certain repairs. The Board discussed the repairs completed in 2017, and agreed to review those repairs and discuss the matter at the next Board meeting. 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 98.41% collected.

6. The Board then recognized Mr. James Parker who presented the engineer's report. The Board approved the pay applications reflected in the report, as well as a change order on the clearing and grading contract for Reserve at Indian Trails. The Board discussed the Storm Water Solutions contract for detention pond maintenance and considered removal of a tree at a cost of \$975. The Board discussed the matter and accepted the proposal for tree removal. The Board also discussed the establishment of grass at the Rock Creek detention pond. The engineer reported on all projects reflected in the written report and the Board approved a submerged storm sewer agreement for Copper Ridge at Indian Trails, Section 1. The engineer reported on the status of the pending bond application, as well the surplus funds application. The engineer and the attorney reported on the publication of the request for proposals for the Texas Water Development Board financing for the water reuse project. The engineer then reported on the status of annexation of various properties into the District. Finally, Mr. Parker discussed with the Board the scheduled pre-purchase inspection by the Texas Commission on Environmental Quality. The Board considered the matter and authorized the operator to perform certain repairs prior to the inspection. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

7. The attorney for the District then reported on the preliminary 2018 tax value provided by the Harris County Appraisal District, as well as a June 1 estimate of value.

8. The Board recognized Ms. Katie Golzarri who reported on the alignment of the trail project and acquisition of easements. The Board discussed the acquisition of easements from homeowners in Fairwood subdivision and agreed that the trail route should not require the acquisition of the Fairwood easements. Ms. Golzarri presented a proposal for landscaping on Grant Road and the Board accepted the proposal conditioned on submission of a Form 1295. Mr. VanderWilt also presented a proposal for engineering services related to the trail project which again was accepted conditioned on a submission of a Form 1295.

9. The Board then considered a petition to the City of Houston requesting consent to annexation of land into the District, and upon unanimous vote, the petition was approved and executed.

10. The Board considered a reimbursement agreement with Spring Cypress Residential 56.41,LP, and upon unanimous vote, the reimbursement agreement was approved by the Board.

11. The Board then recognized Mr. Jeoff Krontz, a resident of Treeline North subdivision who requested the Board consider replacing a cedar fence at the Treeline North detention facility. The Board considered the matter and agreed that the fence should be repaired. The Board requested the engineer solicit bids for the replacement and consider the need for sheet flow of storm water from the surrounding area to the detention pond.

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



Secretary