

**NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5**  
Minutes of Meeting of Board of Directors  
September 13, 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 September 13, 2018 in accordance with the duly posted notice of the meeting, with a quorum of directors present as follows:

Jeff P. Collins, President  
James Adams, Secretary  
Charles Fischer, Treasurer  
H. Bruce Gallun, Director

and the following absent:

Larry L. Milberger, Vice President.

Also present were Ms. Julie Peak of Masterson Advisors, Mr. Bob Wanninger of Lakeland Development Company, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Brian Gibson of Lennar Homes, Ms. Debbie Gibson of McCall Gibson Swedlund Barfoot PLLC, Mr. James Parker of Costello, Inc., Ms. Katie Golzarri of Clark Condon, Mr. Ken Love of Municipal District Services, LLC, Ms. Erin Laird of IDS Engineering Group, officers from the Harris County Constable’s Office, 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 August 16, 2018, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board then considered a law enforcement contract with the Harris County Constable’s Office, and upon unanimous vote, the contract was approved by the Board.

3. The Board recognized Mr. Debbie Gibson of McCall Gibson Swedlund Barfoot, PLLC who presented the auditors report on the expenditure of bond proceeds. The Board reviewed the report, and after discussion with the auditor, the report was approved. Mr. Julie Peak, the District’s financial advisor, advised that she had reviewed each developer reimbursement for compliance with the District’s \$0.70 tax rate test and it appeared that all developers had satisfied the test, although not all certified tax values have been received.

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, 2019. After review and discussion, upon unanimous vote, the Board approved the bookkeeper’s report and the checks listed thereon.

5. The Board then considered the attached resolution authorizing the District's bookkeeper to sign disbursements on the Board's behalf, and upon unanimous vote, the resolution was approved by the Board.

6. The Board then reviewed the operator's report reflecting 33 taps during the previous month bringing the total connections in the District to 6,910. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 116.4% 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 a master agreement with Badger Meters which was approved and executed. 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.

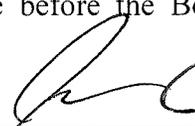
7. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2017 taxes are 99.4% collected.

8. The Board then recognized Ms. Julie Peak, the District's financial advisor, who presented a cash flow analysis and recommendation with respect to the District's 2018 tax rate. The Board reviewed the analysis and recommendation and after discussion, upon unanimous vote, the Board authorized publication of a Notice of a Public Hearing to be held at the next regularly scheduled Board meeting to consider a 2018 debt service tax of \$0.68 and a maintenance tax of \$0.09, for a total tax rate of \$0.77 per \$100 assessed valuation.

9. The Board then recognized Mr. James Parker who presented the engineer's report. The Board approved the pay estimates reflected in the report and Mr. Parker advised that the waste discharge permit on Wastewater Treatment Plant No. 2 has been received from the Texas Commission on Environmental Quality. The Board considered a submerged storm sewer agreement for Telge Ranch Section 3, and upon unanimous vote, the agreement was approved by the Board. Mr. Parker reported on the replacement of the fence at the Treeline North Detention Pond and reported on the status of annexations in the District. The engineer also presented a preliminary summary of costs for the District's next bond application. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

10. The Board then recognized Ms. Katie Golzarri who reported on the Grant Road landscaping project, and the hike and bike trail project Phase 1 including acquisition of easements and bridge designs.

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

  
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Secretary