

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

October 18, 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 October 18, 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. Kayla Crigger of Municipal Accounts & Consulting, Mr. Dane Plumbly of Lennar Homes, Mr. Jon VanderWilt of Costello, Inc., Mr. Jason Buckley of Clark Condon, Mr. Ken Love of Municipal District Services, LLC, Mr. Jarrod Payne of Caldwell Companies, Ms. Erin Laird of IDS Engineering Group, an officer from the Harris County Constable's Office, representatives from Lakewood Oaks Homeowners Association, 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 recognized an officer 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 September 13, 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, 2019. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

4. The Board considered the attached amended general fund budget for the fiscal year ending July 31, 2019, and upon unanimous vote, the amended budget was approved by the Board.

5. The Board then reviewed the operator's report reflecting 29 taps during the previous month bringing the total connections in the District to 6,922. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 97.6% 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 documents for establishing an account at Central Bank for payment processing which were approved by the Board. The operator discussed with the Board a request from the Valencia Pines Homeowners Association for adjustment of a water bill resulting from water loss on the customer's side of the meter. The Board discussed the matter and agreed to provide a \$75 adjustment. Mr. Love then discussed with the Board the wood fence at the entrance to Village of Indian Trails which is in disrepair. The Board agreed that Director Gallun should inspect the fence and make a recommendation regarding replacement. 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 Board acknowledged publication of Notice of a Public Hearing to consider a \$0.77 tax rate for the year 2018. The Board opened the meeting for public comment or question and, hearing none, the hearing was closed. The Board then considered the attached Order adopting the District's 2018 tax rate, and upon unanimous vote, the Order was approved and executed.

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 99.48% collected.

8. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved the pay applications reflected in the report, as well Change Order No. 1 on the Copper Ridge at Indian Trails underground utility construction contract. The Board approved a proposal from BioWest for environmental services needed for the application to the Texas Water Development Board, and approved a proposal for preliminary engineering for the water reuse project. Mr. VanderWilt reported that the Texas Commission on Environmental Quality had approved the District's surplus funds application and the developer reimbursement is being reviewed by the District's auditor. The engineer presented a request for utility service to a 384-unit apartment complex located between Rock Creek and Villages on Grant. The Board discussed the matter and requested the engineer confirm the availability of capacity to service the project. Mr. VanderWilt also discussed with the Board an inquiry regarding annexation of a 100-acre tract north of Boudreaux Road. The engineer advised that he is reviewing the request to determine feasibility. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

9. The Board then recognized Mr. Jason Buckley who discussed with the Board the status of plans for the Grant Road landscaping. Representatives of the Lakewood Oaks Homeowners Association were recognized and discussed with the Board the plant materials to be installed in Grant Road and maintenance thereof. It was agreed that the homeowners provide comments to President Jeff Collins who can then discuss the matter with

Director Jim Adams and direct the landscape architect to make modifications deemed appropriate.

10. The Board then entered into executive session to discuss purchase and sale of real estate.

11. The Board then reentered open session and authorized engagement of Mr. John Mills as a broker to assist in acquiring a site for Water Plant No. 5. The Board also agreed to proceed with acquisition of property for the wastewater reuse project. The Board then discussed a request from Harris County to acquire property to allow drainage of Louetta Road to the Reserve at Cypress Creek detention pond. The Board discussed the matter with the engineer who indicated that he had advised the County that the project is only acceptable if the District has the right to review the plans and if a public meeting can be held in the Reserve at Cypress Creek to explain the County's project. The engineer also recommended requiring the County to agree to repair any damage including erosion resulting from the project.

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



Secretary