

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

November 15, 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 November 15, 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 Mr. Bob Wanninger of Lakeland Development Company, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Dane Plumbley of Lennar Homes, Ms. Debbie Gibson of McCall Gibson Swedlund Barfoot, PLLC, Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc., Ms. Katie Golzarri and 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, Ms. Jennifer Lembcke of Valencia Pines Homeowners Association, 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 recognized officers from the Harris County Constable’s Office who provided the law enforcement report for the previous month.

2. The Board considered the minutes of the meeting of October 18, 2018, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

3. The Board then recognized Ms. Debbie Gibson who presented the auditor’s limited scope examination of expenditure of surplus funds as approved by the Texas Commission on Environmental Quality. The Board reviewed the report, and upon unanimous vote, the auditor’s report was approved as well the payments pursuant thereto.

4. Ms. Gibson then presented the annual audit for the fiscal year ended July 31, 2018 with a management letter. The Board reviewed the audit including the management discussion and analysis and the management letter, and upon unanimous vote, the Board

approved the audit report and authorized filing with the Texas Commission on Environmental Quality as required by law.

5. The Board then considered the attached resolution affirming review of the District's investment policy, and upon unanimous vote, the resolution was approved by the Board.

6. The Board then discussed compliance with Senate Bill 253 and acknowledged that the District's investment officer includes a certification on the quarterly investment report confirming review of the Texas State Comptroller's list of scrutinized companies.

7. The attorney for the District then discussed with the Board compliance with MSRB Rule 15c2-12 and the District's bond order covenants, and upon unanimous vote, the attorney was instructed to prepare and file the necessary disclosure.

8. The Board then discussed the local debt report required by House Bill 1378, and upon unanimous vote, the attorney was instructed to prepare and file the necessary report.

9. 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.

10. The Board then reviewed the operator's report reflecting 25 taps during the previous month bringing the total connections in the District to 6,953. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 98.7% 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 reported on the status of the water meter replacement project and advised that all new meters will be read electronically. Director Gallun addressed and advised that a bid had been received for replacement of the fence at the Indian Trails lift station, but that the homeowners association had requested that a second bid be received for installing a cedar fence on the front and one side of the lift station site. 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. The Board also authorized a schedule of delinquent accounts to be written off as uncollectable.

11. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved the pay estimates reflect in the report and Mr. VanderWilt reported on the status of the bond application to the Texas Water Development Board as well as the bond application to the Texas Commission on Environmental Quality. The Board reviewed the status of annexation of three tracts of land and the engineer presented a

proposals for design of Water Plant No. 5. After review, the Board approved the proposal as presented. Mr. VanderWilt reported on the response to the request for water and sewer service to a multifamily project in the District and discussed with the Board the possible annexation of 100 acres north of Boudreaux Road. The engineer then reviewed with the Board a schedule of contractor warranties and a proposed policy statement with respect to warranty repairs and pre-purchase inspections. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

12. The Board then reviewed proposals for renewal of the District's insurance coverage and agreed that a competing proposal should be solicited for consideration.

13. The Board then considered a proposed contract for sharing the cost of a trail through the Copper Ridge subdivision, and upon unanimous vote, the Board approved the agreement with CC Spring Cypress Residential.

14. The Board then recognized Ms. Katie Golzarri who reported on the status of the Grant Road landscaping and Phase 1 of the trail project.

15. The Board then entered executive session to discuss the purchase of land for Water Plant No. 5.

16. The Board then reentered open session and approved a letter of intent to Mr. and Mrs. Hobert Smith to purchase three acres for the water plant site.

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



Secretary