

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

January 17, 2019

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 January 17, 2019, 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
H. Bruce Gallun, Director

and the following absent:

Charles Fischer, Treasurer.

Also present were Ms. Julie Peak of Masterson Advisors, Mr. Bob Wanninger of Lakeland Development Company, Mr. Jason Hajduk of IDS Engineering Group, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Dane Plumbley of Lennar Homes, Mr. James Parker of Costello, Inc., Ms. Katie Golzarri and Mr. Jason Buckley of Clark Condon, Mr. Ken Love and Mr. Austin Muse of Municipal District Services, LLC, Ms. Lea Davis a resident of Treeline subdivision, Mr. Steve Lindsey of Lakewood Oaks Estates, Mr. Matthew May of Best Trash, 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 December 13, 2018, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board then recognized officers from the Harris County Constable’s Office who presented the law enforcement report for the previous month.

3. The Board then considered a contract with the Harris County Constable’s Office for 2019, and upon unanimous vote, the contract was approved and executed.

4. The Board then recognized residents of the Lakewood Oaks Estates subdivision who provided comments regarding the Grant Road landscaping plan, including plant materials and issues related to the maintenance responsibility. Ms. Golzarri advised that Harris County now requires a formal maintenance agreement and that the agreement should be drafted in the near future. Ms. Golzarri also advised that the County does not require the maintenance agreement to be executed prior to construction. In consideration thereof, the Board authorized the landscape architect to solicit bids for the Grant Road landscaping.

5. Ms. Golzarri then reported on Phase 1 of the trail project including efforts to obtain the necessary easements, and advised that construction plans are being finalized for submission to Harris County for approval.

6. The Board then recognized Mr. Matthew May of Best Trash who presented a letter regarding the CPI annual adjustment in the garbage collection rate and further requested an increase of \$0.70 per connection per month, for a total rate of \$15.53 per house per month beginning in January 2019. The Board discussed the matter as well as the issue of collection days falling on holidays. After discussion, upon unanimous vote, the Board approved the requested increase as reflected on the letter attached hereto.

7. The Board then recognized Ms. Lea Davis who reiterated her appeal of a high water bill. The operator advised that the meter was checked and calibrated, and that the adjustment provided by the Board is consistent with the District's established leak adjustment policy. It was suggested Ms. Davis present her appeal to the North Harris County Regional Water Authority.

8. 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.

9. The Board then reviewed the operator's report reflecting 10 taps during the previous month bringing the total connections in the District to 7,034. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 80.9% 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 the low water accountability factor and Mr. Love agreed to investigate the matter including failure to account for water during the water meter replacement program. The Board discussed the controls for the pumps at the Forest Creek Farms lift station and detention pond, and upon unanimous vote, the Board accepted a proposal from NTS for improvements to cause the pumps to operate properly. 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.

10. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2018 taxes are 64.24% collected.

11. The Board then considered the attached Order adopting an over 65 or disabled tax exemption for the 2019 tax year, and upon unanimous vote, the Order was approved by the Board.

12. 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 a change order on the water, sewer and drainage contract for Copper Ridge at Indian Trails, Section 1. Mr. Parker advised that the County will allow Costello, Inc. to prepare plans for the Telge Road water line relocation, which will require an interlocal agreement with the County similar to prior agreements. The engineer reported that the Texas Water Development Board has invited the District to submit an application for a low interest loan for the District's reclaimed water system project. The engineer also presented the final cost summary for the District's 16th bond application. The Board discussed a proposed earnest money contract with Mr. and Mrs. Hobert Smith for acquisition of the site for Water Plant No. 5, and after discussion, the Board authorized President Collins to execute the earnest money contract when appropriate. Mr. Parker reported on the status of annexations in the District. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

13. The Board then considered amendment of the contract for water supply to Harris County MUD 416, and upon unanimous vote, the amendment was approved by the Board.

14. The Board then discussed the requirement to adopt a Drought Contingency Plan pursuant to the rules of the Texas Commission on Environmental Quality. After discussion, upon unanimous vote, the Board adopted a Drought Contingency Plan pursuant to the rules of the TCEQ.

15. The Board then discussed the requirement to adopt a Water Conservation Plan pursuant to the rules of the Texas Commission on Environmental Quality and upon unanimous vote, a Water Conservation Plan was adopted by the Board.

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


Secretary