

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

February 21, 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 February 21, 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
Charles Fischer, Treasurer
H. Bruce Gallun, Director

and the following absent:

None.

Also present were Mr. Bob Wanninger of Lakeland Development Company, Mr. Jason Hajduk of IDS Engineering Group, Ms. Kayla Crigger of Municipal Accounts & Consulting, 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, Mr. Steve Lindsey of Lakewood Oaks Estates, 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 January 17, 2019, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

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

3. The Board reviewed the attached bookkeeper’s report, including the invoices reflected thereon and a schedule of District investments. The Board also reviewed a schedule of deposit refunds paid by check executed by the bookkeeper pursuant to the Board’s authorization. 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 then reviewed the operator’s report reflecting 52 taps during the previous month bringing the total connections in the District to 7,060. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 86% 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. Mr. Love presented a report on the status of installation of smart meters in the District and reported a discharge from the sanitary sewer system at a manhole in the area of the Grant Meadows lift station. Mr. Love recommended investigating the possibility of reconfiguring the sanitary sewer system to prevent future spills and further recommended inspecting all air release valves in the District. The Board agreed with the operator's recommendations. Mr. Love also recommended inspecting all submerged storm sewers, which was authorized by the Board. The Board then discussed the water accountability factor and Mr. Love advised that if water use through rental meters is included the accountability factor is 92%. The Board discussed repairs and maintenance to the District's facilities since the last Board meeting. 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 2018 taxes are 92.72% collected.

6. The Board then considered the attached Order engaging a delinquent tax attorney and levying an additional 20% penalty on 2018 taxes which remain delinquent on July 1, 2019. After review and discussion, the Board engaged the delinquent tax attorney and adopted the attached Order levying the penalty.

7. The Board then considered the attached Resolution Affirming Identity Theft Prevention Program and confirmed with the operator that the program is in place and is being properly administered. After discussion, upon unanimous vote, the Resolution was approved by the Board.

8. The attorney for the District then discussed with the Board the requirement pursuant to Texas Local Government Code, Chapter 203, Subchapter D to file a report with the Texas Comptroller's Office including the District's audit directors names, contact information for the operator and tax assessor, authorized and outstanding bonds. After discussion, upon unanimous vote, the attorney was authorized and instructed to prepare and file the necessary report.

9. The Board then discussed the sale of 0.3048 acres to Harris County along Louetta Road at Reserve at Cypress Creek and the engineer advised that the acreage may be adjusted slightly, but that the County has held a public meeting regarding the same and complied with all District requirements. Therefore, the Board authorized execution of the deed to Harris County subject to adjustment to the acreage.

10. The Board then recognized Mr. Jason Buckley who advised that Harris County requires a Interlocal Agreement for maintenance of the Grant Road landscaping. After discussion, upon unanimous vote, the Interlocal Agreement was approved and executed. Mr. Buckley reported on the status of acquisition of easements for the trail and the status of plan approval for the projects, as well as the schedule for receiving bids.

11. The Board then reviewed correspondence received from the attorney for Northwest Harris County MUD 15 regarding permit violations and a settlement agreement entered into with the Texas Commission on Environmental Quality. It appeared Northwest MUD 15 would accept full responsibility for payment of the fine.

12. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved the pay estimates reflected in the report. Mr. VanderWilt advised that an earnest money contract for purchase of the site for Water Plant No. 5 has been executed and is at the title company. The engineer presented proposals for additional surveying and engineering services related to the District's park and trail project, as well as engineering and surveying services for the Telge Road water line and force main relocation, both of which were approved by the Board. Mr. VanderWilt also presented a proposal from Tolunay Engineering Group for geotechnical services for the retaining wall on Faulkey Gully south of Spring Cypress, which was approved by the Board. Mr. VanderWilt also presented a requested for consent to encroachment, which was approved by the Board. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

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



Secretary