

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

March 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 March 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 Ms. Julie Peak of Masterson Advisors, Mr. Bob Wanninger of Lakeland Development Company, Mr. Jason Hajduk and Ms. Meg Henry of IDS Engineering Group, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Dane Plumbley of Lennar Homes, Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc., Ms. Katie Golzarri of Clark Condon, Mr. Ken Love and Mr. Austin Muse of Municipal District Services, LLC, Mr. Nick Atencio of Lakewood Oaks Estates Homeowners Association, officers from the Harris County Constable’s Office, Deacon Ron McElrath of The Word of God Church, Ms. Jennifer Lembcke of Valencia Pines 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 considered the minutes of the meeting of February 21, 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. The attorney for the District reported that he had received correspondence from the Harris County Constable’s Office advising that there would be a 4.9% increase in the law enforcement contract fee effective 2020. The Board also discussed the budget for installation of smart meters in the District and agreed to allocate the District’s \$2,800,000 surplus capital projects fund to the project in accordance with

the rules of the Texas Commission on Environmental Quality. 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 54 taps during the previous month bringing the total connections in the District to 7,120. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 94.4% 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. The Board recognized Deacon Ron McElrath of The Word of God Church who reported that as a result of a blockage in the District's sanitary sewer line the church's sanitary sewer service was blocked resulting in the need to rent portable toilets during the church's grand opening. The Board discussed the matter and agreed to reimburse the church \$650 for the cost of the rental. 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.

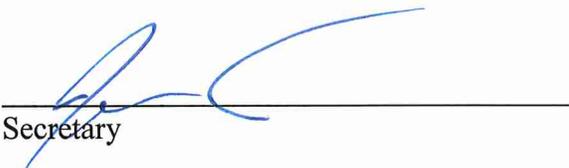
5. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2018 taxes are 97.19% collected.

6. The Board then considered the attached resolution requesting the Harris County Appraisal District provide an estimate of taxable value as of April 1, 2019, and upon unanimous vote, the resolution was approved by the Board.

7. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved the pay estimates reflected in the report and discussed the status of the reclaimed water system design. The engineers reported that the assumed rebate from the North Harris County Regional Water Authority had been miscalculated and that the actual revenue will likely be insufficient to support the entire debt service on the District's bonds to be issued to the Texas Water Development Board. The Board discussed the pledge of additional water and sewer revenues, and it was agreed that the details be presented to the Board at the next meeting. Mr. Parker reported that the Texas Commission on Environmental Quality had declared the District's sixteenth bond application to be administratively complete. Mr. Parker reported on the status of annexations in the District and advised that KB Homes had made a deposit to cover the cost of its annexation and that New Quest Properties is expected to make a deposit in the near future. The engineer and attorney reported to the Board on the effort to obtain seven easements to serve The Learning Center project and the Board authorized offering to bore the sanitary sewer line and further authorize condemnation, if necessary. Mr. Parker reported on issues related to the Village Creek detention pond including clogging of the outfall and erosion, and presented a bid from Storm Water Solutions for repair at a cost of \$4,400. The Board requested the engineer obtain two additional bids and authorized the repair by the low bidder provided the cost not exceed \$4,400. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

8. The Board then recognized Ms. Katie Golzarri who presented a bid tabulation for the Grant Road landscaping, and after discussion, the Board awarded the bid to the low bidder, Augusta Landscaping, with a bid in the amount of \$55,466.40. Ms. Golzarri also reported on efforts to obtain easements for the District's trail project and reported on the status of plan approval for the project.

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



Secretary