

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

June 20, 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 June 20, 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
Charles Fischer, Treasurer

and the following absent:

James Adams, Secretary
Bruce Gallun, Director.

Also present were Mr. Greg Lentz of Masterson Advisors, Mr. Bob Wanniger of Lakeland Development Company, Ms. Kayla Crigger and Mr. Jordan Weyand of Municipal Accounts and Consulting, Mr. James Parker, Mr. Jon VanderWilt and Ms. Jessica Junco of Costello, Inc., Ms. Katie Golzarri of Clark Condon, Mr. Ken Love and Mr. Austin Muse of Municipal District Services, LLC, officer from the Harris County Constable's Office, Mr. Kai Dussling of Augusta Landscaping, 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 May 16, 2019, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board recognized an officer 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 23 taps during the previous month bringing the total connections in the District to 7,232. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 99.5% 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 installation of smart meters in the District and discussed with the Board repair of the sinkhole in Rock Creek subdivision. After discussion, the Board

instructed the operator to repair the sinkhole with an internal collar. 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 99.12% collected. The Board discussed the preliminary tax value provided by the Harris County Appraisal District for the tax year 2019. The Board also discussed the impact Senate Bill 2 will have on the procedure for setting the District's 2020 tax rate.

6. The Board then recognized Mr. Jon VanderWilt who presented the engineer's report. The Board approved the pay estimates reflected in the report and Mr. VanderWilt reported on a meeting held with representatives of the North Harris County Regional Water Authority to discuss pumpage fee credits. The engineer reviewed with the Board the status of the various contractor warranties. The engineer reported on the status of annexation of three tracts previously approved by the Board, and presented three additional tracts for consideration. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

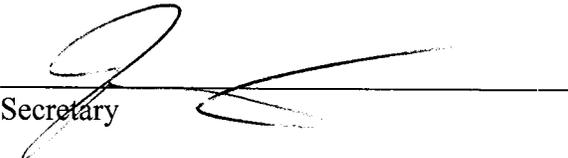
7. The Board then considered a proposed developer reimbursement agreement with Cypress Shaw Investors, LLC for The Learning Experience, and upon unanimous vote, the agreement was approved and executed.

8. The Board then recognized Ms. Katie Golzarri who reported on the status of the Grant Road landscaping and presented Pay Request No. 1 on the project which was approved by the Board. Ms. Golzarri also reported on the hike and bike trail project and the status of acquisition of easements. The Board discussed the easement across the HEB property and agreed that the trail would not cross the property until the easement is provided by HEB. The Board also discussed the status of landscaping with Mr. Kai Dussling of Augusta Landscaping.

9. The Board then recognized Mr. Greg Lentz, the District's financial advisor, who presented the Preliminary Official Statement and Notice of Sale for the District's proposed Series 2019 Unlimited Tax Bonds. After review and discussion, upon unanimous vote, the Board approved the Preliminary Official Statement and Notice of Sale and authorized distribution thereof.

10. The attorney for the District then reported on the status of acquisition of the site for Water Plant No. 5 from The Smith Legacy Trust, and after discussion, upon unanimous vote, the Board authorized Director Collins to execute all documents necessary to acquire the property and further authorized wire transfer of the purchase price.

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


Secretary