

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

August 15, 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 August 15, 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
Bruce Gallun, Director

and the following absent:

None.

Also present were Ms. Julie Peak of Masterson Advisors, Ms. Kayla Crigger of Municipal Accounts and Consulting, Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc., Ms. Katie Golzarri and Mr. Jason Buckley of Clark Condon, Mr. Ken Love Municipal District Services, LLC, Mr. Tim Fitzpatrick of Caldwell Companies, Mr. James Nash, a resident of Hayden Lakes, Mr. Chris Buell of The Learning Experience, 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 considered the minutes of the meeting of July 18, 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, 2020. 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 37 taps during the previous month bringing the total connections in the District to 7,283. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment

plants. It appeared that 94.0% 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. Mr. Love reported on efforts to improve water pressure in the District and in particular Shaw Acres and Hayden Lakes. Mr. James Nash, a resident of Hayden Lakes, addressed the Board and advised that he has experienced numerous incidence of extremely low water pressure an provided water pressure data in support thereof. The Board discussed with the engineer and operator plans for modification of the water distribution system, completion of Water Plant No. 5 and improvements proposed by the North Harris County Regional Water Authority all of which will increase water pressure over a period of time. The Board requested the engineer and operator work diligently to improve water pressure in the short term and keep Mr. Nash informed of the progress. 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 99.77% collected.

6. The Board then recognized Ms. Julie Peak, the District's financial advisor, who presented a cash flow analysis and recommendation with respect to the District's 2019 tax rate. The Board reviewed the analysis and recommendation and after discussion, upon unanimous vote, the Board authorized publication of a Notice of a Public Hearing to be held at the next regularly scheduled Board meeting to consider a 2019 debt service tax of \$0.59 and a maintenance tax of \$0.17, for a total tax rate of \$0.76 per \$100 assessed valuation.

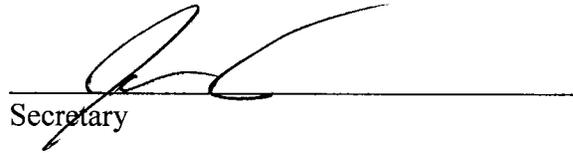
7. The Board then recognized Mr. James Parker who presented the engineer's report. The Board reviewed the report on maintenance of the District's detention ponds and other facilities including a schedule for mowing and reviewed a schedule of contractor warranties. The Board approved the pay estimates reflected in the report and reviewed the various projects contained therein. The engineer reported on the status of two annexations and advised that an additional annexation will probably proceed in the near future. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

8. The Board then recognized Mr. Chris Buell who requested assistance with obtaining full developer reimbursement for the 8-inch sanitary sewer line installed to serve The Learning Experience. The Board discussed the design of the sanitary sewer line including increased costs resulting from master planning and requested the engineers calculate the increased costs, which the District may assume as District responsibility which would reduce the developer's required carry and result in a higher percentage of reimbursement.

9. The Board then recognized Ms. Katie Golzarri who reported on the status of the Grant Road landscaping and recommended payment of Pay Request No. 3 and Final following inspection by the landscape architect. After discussion, upon unanimous vote, the pay request was approved by the Board. Ms. Golzarri then reported on the status of the trail project an advised that HEB has agreed to provide the requested easement. The Board discussed the status of plan approval and agreed to proceed with the project upon receipt of approval.

10. The Board then considered an Eighth Amendment to Waste Disposal Agreement among the District, Northwest Harris County MUD No. 15, et al., and upon unanimous vote, the Amendment was approved by the Board.

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



Secretary