

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

November 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 November 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
Bruce Gallun, Director

and the following absent:

Charles Fischer, Treasurer.

Also present were Mr. Jason Hajduk of IDS, Mr. David Banos of Municipal Accounts and Consulting, Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot, PLLC, Mr. James Parker and Mr. Jon VanderWilt of Costello, Inc., Mr. Jason Buckley of Clark Condon, Mr. Ken Love and Mr. Austin Muse of Municipal District Services, LLC, Ms. Keli Schroeder of Brown & Gay Engineers, Mr. Kai Dussling of Augusta Landscaping, Mr. Michel Kaska of KB Home, Mr. Justin Cox of Storm Water Solutions, 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 meetings of October 17, 2019 and October 29, 2019, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. 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.

3. The Board recognized Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot, PLLC, who presented the audit report for the fiscal year ended July 31, 2019. The Board reviewed the audit including the management discussion and analysis and a management letter, and upon unanimous vote, the Board approved the audit report and authorized filing with the Texas Commission on Environmental Quality as required by law.

4. The Board then reviewed the operator's report reflecting 43 taps during the previous month bringing the total connections in the District to 7,385. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment

plants. It appeared that 95.9% 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 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. The Board also authorized a schedule of delinquent accounts to be written off as uncollectable.

5. The Board discussed dead trees in the Treeline detention pond and authorized Storm Water Solutions to remove the trees.

6. The Board then discussed the continued request by a resident of Rock Creek subdivision to remove her smart meter. The Board considered the matter and requested the operator prepare an estimate of costs related to the removal for further consideration by the Board.

7. 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 99.69% collected.

8. The Board then recognized Mr. James Parker who presented the engineer's report. The Board reviewed a schedule reflecting the fence materials at various District facilities and agreed that going forward the fences should be concrete or comparable material and the design should be selected by the developer. The Board reviewed the various projects reflected in the engineer's report and authorized issuance of a utility commitment to HLB Development, LLC conditioned on conveyance of a trail easement. The engineer reported on the status of annexation of three tracts into the District and presented a schedule reflecting the status of contractor warranties. The Board reviewed a resignation letter submitted by Costello, Inc. and discussed with Mr. VanderWilt and Ms. Schroeder the projects to be completed by Costello and the projects to assumed by BGE. Mr. VanderWilt agreed to revise the resignation letter accordingly. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.


9. The Board then recognized Mr. Jason Buckley who reported on the trail project Phase I and advised that Harris County Flood District has provided the Interlocal Agreement required for the project. After discussion, upon unanimous vote, the Board approved and executed the Interlocal Agreement. Mr. Buckley reported on Phase 2 of the project and advised that Northpointe WCID has indicated its willingness to provide the required easements.

10. The Board then recognized Mr. Kai Dussling who discussed with the Board issues related to the irrigation system in the Spring Cypress esplanade. The Board considered various alternatives and agreed to a trial modification of the system to determine its effectiveness.

11. The Board then reviewed proposals for renewal of the District's insurance coverage, and after review of the coverage and premiums, upon unanimous vote, the proposals were accepted as presented.

12. The Board then considered an application for use of surplus funds for The Learning Experience project, and upon unanimous vote, the Board approved the application.

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



Secretary