

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

February 20, 2020

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 20, 2020, 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. Keli Schroeder and Mr. Nelson Gaez of Brown & Gay Engineers, Ms. Kayla Crigger of Municipal Accounts & Consulting, Ms. Katie Golzarri and Mr. Jason Buckley of Clark Condon, Mr. Austin Muse and Mr. Ken Lover of Municipal District Services, LLC, Mr. Nick Atencio of Lakewood Oaks Estates Homeowners Association, Mr. Todd Johnson of Caldwell Companies, Ms. Jennifer Lembcke of Valencia Pines Homeowners Association, Mr. Linh Tran of Costello, Inc., Mr. Michael Kaska of KB Home, Mr. David Beyer of Storm Water Solutions, 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 16, 2020, 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 reviewed the auditor’s report on additional reimbursement of CC Cypress Springs for development costs of Copper Bend subdivision. After review, the auditor’s report was approved by the Board. 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 24 taps during the previous month bringing the total connections in the District to 7,449. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 99.4% 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 operator presented a proposal from Accurate Meters for replacement of the meter at Water Plant No. 1 at cost of \$5,350, which was accepted by the Board. The operator also presented a proposal from MDS for conducting a sanitary manhole and valve survey at a approximate cost of \$312,525, which was also accepted by the Board. The Board agreed that the survey and related repair costs should be included in the next bond application. Mr. Love advised that he is meeting with Quadvest to address water pressure issues in Shaw Acres. The Board also discussed a Water Conservation Plan and notice to residents regarding water conservation, and it was agreed that the operator draft a notice for review and approval by Director Jim Adams. It was also agreed that the notice be posted on the District's website. The Board discussed the condition of trees in the Treeline detention pond and authorized the removal of four trees at a cost not to exceed \$4,500. 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 Board then considered the attached Order engaging a delinquent tax attorney and levying an additional 20% penalty on 2019 taxes which remain delinquent on July 1, 2020. After review and discussion, the Board engaged the delinquent tax attorney and adopted the attached Order levying the penalty.

6. The attorney for the District then discussed with the Board the Federal Trade Commission requirements for adoption of an Identity Theft Prevention Program. The Board confirmed with the District's operator that the program is in place and is not in need of amendment, and upon unanimous vote, the Board adopted the attached Resolution affirming the District's Identity Theft Prevention Program.

7. 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 (Local Debt Report) with the Texas Comptroller's Office including the District's audit, directors names, contact information for the operator and tax assessor, and authorized and outstanding bonds. After discussion, upon unanimous vote, the attorney was authorized and instructed to prepare and file the necessary report.

8. The Board considered a certificate executed by the Secretary of the Board certifying that the candidates in the May 2, 2020 directors election are unopposed. Therefore, by unanimous vote, the Board adopted the attached Order Declaring Unopposed Candidates Elected and Canceling the May 2, 2020 Directors Election.

9. The Board then considered utility commitments to be issued to HLB Development, LLC and the developer of Shops at Rock Creek, and upon unanimous vote, both utility commitments were approved by the Board.

10. The Board then recognized Ms. Keli Schroeder who presented the engineer's report. Mr. Linh Tran presented recommendations for award of the water, sewer and drainage improvement contracts for Copper Ridge at Indian Trails, Section 2 and 3 and Willow Wood Place, and upon unanimous vote, the Board authorized award of both contracts to low bidders as recommended by the engineer. The Board also reviewed a recommendation of award from LJA Engineering for water, sewer and drainage facilities to serve Wildwood at Northpointe, Section 23, and upon unanimous vote, the Board authorized award to the low bidder as recommended by the engineer with the understanding that the cost sharing arrangement with the adjacent district should be reviewed by the engineer. Ms. Schroeder reported on the status of the capital improvements plan and discussed with the Board a proposal for upgrade of the SCADA system. The Board accepted the proposal as presented. The Board considered an Interlocal Agreement with Harris County for construction of sidewalks during the Louetta Road widening, and upon unanimous vote, the Interlocal Agreement was approved by the Board. The Board also discussed a proposed Interlocal Agreement for maintenance of drainage channels in the District and agreed to proceed with the project. Ms. Schroeder reported on recommended rehabilitation and disinfection at Water Wells Nos. 1, 2, 3, 4 and 5, and upon unanimous vote, the Board authorized the engineer to coordinate pricing of the recommendations. The engineer reported on the status of the Water Plant No. 5 design and recommended the District obtain plan approval for the Water Plant No. 2 ground storage tank and hydropneumatic tank repairs. Ms. Schroeder presented a proposal for the Phase 1 trail project and a proposal for construction phase services, both of which were approved by the Board. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

11. The Board recognized Mr. David Beyer who presented a proposal for drainage improvements in the area of Water Plant No. 1. The Board discussed the matter and agreed to defer consideration for the present time.

12. The Board recognized Ms. Katie Golzarri who reported that three bids had been received for the trail improvements with the lowest bidder being Texas Wall and Landscape with the bid in the amount of \$3,959,018.60. After review and discussion, the Board authorized award of the contract to Texas Wall and Landscape. Ms. Golzarri also advised that a groundbreaking ceremony is scheduled for April 9, 2020 at 9:00 a.m. with the County Commissioner.

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


Secretary