

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

May 21, 2020

The Board of Directors (“Board”) of Northwest Harris County Municipal Utility District No. 5 (“District”) met via telephone conference on May 21, 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, Mr. Jason Hajduk of IDS Engineering Group, Ms. Keli Schroeder and Mr. Nelson Gaez of Brown & Gay Engineers, Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Justin Jenkins of McCall Gibson Swedlund and Barfoot, PLLC, Ms. Katie Golzarri of Clark Condon, Mr. Ken Love and Mr. Austin Muse of Municipal District Services, LCC, Ms. Jennifer Lembcke of Valencia Pines Homeowners Association, Mr. Linh Tran of Costello, Inc., Mr. Michael Kaska of KB Home, 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 April 16, 2020, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board then considered the oath of office, statement of Directors, conflicts disclosure statements and related documents for the qualification of Directors Fischer, Milberger and Gallun and acknowledged the Directors qualified to begin a new term of office.

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 8 taps during the previous month bringing the total connections in the District to 7,526. The Board reviewed the

billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 94.6% 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 considered a request for access to the Forest Creek Farms detention facility through Lift Station No. 8 to allow the homeowners association to improve the trail around the pond. The Board discussed the matter and agreed to allow the access provided there is an Indemnity Agreement between the District, the contractor and the homeowners association and provided further that the contractor shows evidence of adequate liability insurance. The Board considered the removal of 18 pine trees at the Treeline detention pond and agreed that three bids should be solicited for the project and that the contract should be awarded to the low bidder provided the bid is \$17,000 or less. The Board also reviewed a request from Mr. and Mrs. Hoffmeister who reside adjacent to Water Plant No. 2 asking that the District participate in the cost of a fence in the area across a Harris County right-of-way. The Board considered the matter and agreed that the fence would be of no benefit to the District and therefore the request was denied. 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.

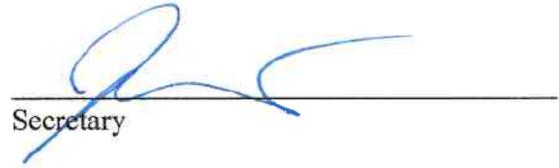
5. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2019 taxes are 97.87% collected. The attorney for the District reported on the 2020 preliminary tax value provided by the Harris County Appraisal District.

6. The Board then recognized Ms. Katie Golzarri who reported on the status of acquisition of easements and the construction schedule for the Phase 1 trails and advised that the surveying is underway for the Phase 2 trails.

7. The Board then recognized Ms. Keli Schroeder who presented the engineer's report. Ms. Schroeder reported on the status of the capital improvement plan and the Board authorized the engineer to proceed with preparation of the bond application upon approval for the plan. The engineer reported on the status of the SCADA system improvements and the GIS system conversion. Ms. Schroeder then reported on the water analysis including disinfection and pressure. The Board considered a revised proposal for design of Water Plant No. 5 and authorized the engineer to proceed. The Board discussed the water re-use project and authorized the engineer to do the initial financial analysis on an hourly basis. The Board considered the requirement to relocate a 12-inch water line on North Eldridge Parkway and agreed to proceed with an Interlocal Agreement with Harris County for the relocation. The Board considered two requests for annexation in the District. It appeared that both properties are within the District's designated service area and the Board agreed to annex the properties provided the developers would accept a \$0.70 tax rate reimbursement limitation and pay all costs of annexation. Director Gallun reiterated his position that the District should not annex property north of Boudreaux Road. The Board recognized Mr. Linh Tran who reported on the status of Willow Wood subdivision. The Board approved Pay Estimate No. 4 and Change Order No. 1 on the project. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

8. The Board then recognized Ms. Jennifer Lembcke who reported a sinkhole in the area of the Valencia Pines detention pond. The Board discussed the matter and agreed that the operator should inspect the sinkhole to determine the cause of the erosion.

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


Secretary