

## **NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5**

Minutes of Meeting of Board of Directors

September 17, 2020

The Board of Directors (“Board”) of Northwest Harris County Municipal Utility District No. 5 (“District”) met via telephone conference on September 17, 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, Ms. Katie Golzarri of Clark Condon, Mr. Ken Love and Mr. Austin Muse of Municipal District Services, LCC, Mr. Jesse Carrasco of Caldwell Companies, Mr. Linh Tran of Costello, Ms. Jennifer Lembcke of Valencia Pines Homeowners Association, Mr. Michael Kaska of KB Home, Ms. Cynthia Moody of Village Creek Homeowners Association, 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 August 20, 2020, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board then recognized Ms. Katie Golzarri who reported on status of construction of the Phase 1 trails and design of the Phase 2 trails and presented proposal for development of a Master Park Plan. The Board discussed a proposal from Costello for modification of the Fairwood bridge and Ms. Cynthia Moody complained that the Faulkey Gully bridge does not connect to the Village Creek trail system. The Board advised Ms. Moody that it anticipated that the connection would be made in Phase 2. After discussion, upon unanimous vote, the Board accepted the Clark Condon proposal and the Costello proposal as presented.

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, 2021. 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 13 taps during the previous month bringing the total connections in the District to 7,578. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 90.8% 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 Board authorized all repairs recommended by the operator. 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 99.34% collected.

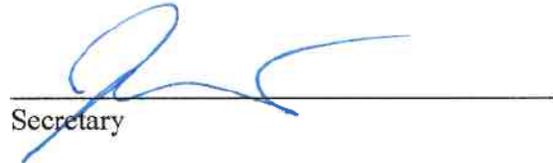
6. The Board then recognized Ms. Julie Peak, the District's financial advisor, who presented a cash flow analysis and recommendation with respect to the District's 2020 tax rate. The Board reviewed the analysis and recommendation, as well as the 2020 voter-approval tax rate worksheet. The Board considered the attached Resolution Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, Calling Public Hearing on 2020 Tax Rate, and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing. After discussion, upon unanimous vote, the Board adopted the attached Resolution and authorized publication of a Notice of a Public Hearing at which the Board will consider adoption of a total 2020 tax rate of \$0.75 per \$100 assessed valuation, which the Board noted consists of a debt service tax of \$0.58, and a maintenance tax of \$0.17.

7. The Board then recognized Ms. Keli Schroeder who presented the engineer's report. The Board discussed an invitation by Harris County to participate in the betterment project for the Grant Road widening and agreed to decline participation with the County but to consider other betterment projects in the discretion of the District. Ms. Schroeder reported on the status of the SCADA system upgrades and modification of the water disinfection project. The engineer presented a bid tabulation for the Water Plant No. 2 ground storage tank and hydropneumatic tank rehabilitation, and upon unanimous vote, the Board authorized award of the contract to GM Roberts, Inc., as recommended by the engineer. The Board also authorized the engineer to perform construction phase services on the project pursuant to a proposal presented by Ms. Schroeder. The Board discussed the water plant coating inspection required by the TCEQ and authorized the engineer to perform the annual tank inspections on an hourly fee not to exceed \$17,000. The Board discussed the proposal for repair of the retaining wall in Valencia Pines and authorized the contractor to proceed at the District's cost. The Board reviewed the status of the annexations pending before the City of Houston and several additional requests for annexation. Ms. Schroeder reported that payment had been made to Harris County for the Louetta Road sidewalk project and reported a conflict with the 12-inch water line at Spring Cypress for Willow Wood Place subdivision. The Board discussed the matter and acknowledged an additional segment of line would be submerged. Ms. Schroeder then reported on the status of the bond application to be submitted to the TCEQ. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

8. The Board then considered a request from Woodmere for annexation of a tract of a land that would become an extension of the Treeline development. Mr. Jason Hajduk was present and acknowledged the District's established policies regarding annexation and the tax rate limitation on developer reimbursement. After discussion, by vote of four in favor with Director Gallun opposed, the Board agreed to annex the property provided the developer pay all costs of annexation and subject to the \$0.70 tax rate limitation.

9. The Board then considered a Resolution Adopting Rules for Electronic Submission of Bids, and upon unanimous vote, the Resolution was approved by the Board.

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

  
Secretary