

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

November 19, 2020

The Board of Directors (“Board”) of Northwest Harris County Municipal Utility District No. 5 (“District”) met via teleconference on November 19, 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, LLC, Mr. Jesse Carrasco of Caldwell Companies, Ms. Jennifer Lembcke of Valencia Pines Homeowners Association, Mr. Michael Kaska of KB Home, Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot, PLLC, 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 October 15, 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 the status of acquisition of easements for the trail project and the status of installation of the bridges. The Board approved the pay applications reflected in Ms. Golzarri’s report and discussed the status of the Phase 2 trails. The Board discussed the parks Master Plan and agreed to consider the Plan at the next Board meeting in order to have the plan fully adopted in time to call a bond election for May 2021.

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 recognized Mr. Julie Peak who presented an analysis of a possible refunding of a portion of the District's outstanding bonds which would result in a net present value savings to the District. The Board reviewed the analysis, and upon unanimous vote, the Board authorized sale of the bonds on a parameters basis with the requirement that the net present value savings exceed 3% and further that the President, Vice President or Secretary of the Board is authorized to execute the Approval Certificate, including approval of the par amount of the Bonds, interest rates and maturity schedule as well as other terms of the Bonds, within three months of the date of the meeting. The Board also designated SAMCO Capital Markets as underwriter. The Board considered the Preliminary Official Statement and Official Statement to be completed upon execution of the Approval Certificate, as well as the Bond Order, Paying Agent/Registrar Agreement and numerous certificates and documents necessary to cause the Bonds to be approved by the Attorney General, issued and delivered to the purchaser, and upon unanimous vote, all documents were approved by the Board.

5. The District's financial advisor, Ms. Julie Peak, then presented the Preliminary Official Statement of Notice of Sale for the District's \$8,045,000 Unlimited Tax Bonds, Series 2021. The Board reviewed the reports including the certification contained in the Preliminary Official Statement, and upon unanimous vote, the Board approved the Preliminary Official Statement and Notice of Sale.

6. The Board then recognized the District's auditor, Mr. Joseph Ellis, who presented the audit report for the fiscal year ended September 31, 2020. The Board reviewed the report including the management discussion and analysis and a management letter, and upon unanimous vote, the Board approved the audit and authorized filing as required by law.

7. The Board then reviewed the operator's report reflecting 7 taps during the previous month bringing the total connections in the District to 7,599. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 94.4% 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 Board approved replacement of a fence at Lift Station No. 10 and installation of new gate at Wastewater Treatment Plant No. 2. 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.

8. 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 99.54% collected.

9. The Board then recognized Ms. Keli Schroeder who presented the engineer's report. Ms. Schroeder reported on the status of the upgrade of the SCADA system and the Board approved addition of a touch screen for operation of the system. The engineer discussed the color of paint at Water Plant No. 2 and the Board agreed to proceed with green paint as recommended. Ms. Schroeder reported that the retaining wall at the Valencia Pines

detention pond has been repaired and presented a proposal from Storm Water Solutions to desilt the channel and outfall from the Village Creek detention facility. After discussion by the Board, the proposal was accepted. The Board also approved the pay estimates reflected in the engineer's report. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

10. The Board then discussed the request by Woodmere for annexation of land into the District and Mr. Jason Hajduk advised that one of the options for routing the utilities may require condemnation of easements. The Board discussed the matter and agreed to condemn the easements if necessary and to include to the cost thereof in the calculation of the developer reimbursement.

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 discussed the redesign of certain trail facilities and improvements as a result of errors made by the District's previous engineer and Ms. Golzarri was requested to calculate the total cost of redesign.

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


Secretary