

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

November 18, 2021

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 18, 2021, in accordance with the duly posted notice of the meeting, with a quorum of directors present as follows:

Larry L. Milberger, Vice President

James Adams, Secretary

Bruce Gallun, Director

Mindy Cernosek, Director

and the following absent:

Jeff P. Collins, President.

Also present was Ms. Keli Schroeder and Mr. Nelson Gaez of BGE, Inc., Ms. Kayla Crigger of Municipal Accounts & Consulting, Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC., Mr. Jason Buckley of Clark Condon, Mr. Austin Muse of Municipal District Services, LLC., Mr. Michael Kaska of KB Home, Mr. Shea Walker of Champions Hydro-Lawn, Mr. Jason Hassenstab of Elevated Development, Mr. Steve Quance of Drake Plastics, Treeline residents Mr. Greg and Ms. Joni Milner 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 21, 2021, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board recognized an officer from the Harris County Constable’s Office who presented the law enforcement report for the previous month.

3. The Board then recognized the residents of Treeline subdivision who addressed the Board and asked if the District is considering annexation of an area near Treeline, which is proposed for a multifamily development. The Board advised the residents that the District had not been approached about the project.

4. The Board then recognized Mr. Jason Hassenstab of Elevated Development, who advised that he proposes a single-family development on Telge Road, which would be built-to-suit homes. The Board discussed the matter and agreed to defer consideration until a development plan is presented.

5. The Board then recognized Mr. Steven Quance of Drake Plastics, who advised that he has an existing development on Grant Road and is in need of emergency fire

service only. The Board discussed the matter and agreed to provide this service conditional on execution of an acceptable contract.

6. The Board then recognized Mr. Jason Buckley, who reported on development of parks in the District and the trails Phases No. One and Two. The Board approved Change Order No. 10 and Pay Application No. 17 as presented. Mr. Buckley discussed with the Board, the schedule for a proposed grand opening and it was agreed that if possible, the grand opening should occur on a Saturday.

7. The Board then recognized Mr. Joseph Ellis, who presented the annual audit report for the fiscal year ended July 31, 2021. The Board reviewed the report, including the management discussion and analysis and a management letter. Upon unanimous vote, the audit report was approved by the Board.

8. Mr. Ellis then reported a limited scope examination report on expenditure of bond proceeds. The Board reviewed and approved the report as presented.

9. The Board then considered the attached Resolution approving review of the District's Investment Policy, and upon unanimous vote, the Resolution was approved by the Board.

10. The Board reviewed the 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 reviewed the general fund comparison of actual versus budgeted revenues and expenditures for the fiscal year ending July 31, 2022. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

11. The Board then reviewed the operator's report reflecting 17 taps during the previous month bringing the total connections in the District to 7,850. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 88.6% 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 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, including all action items, and authorized termination of service to all customers appearing on the delinquent list in accordance with the District's Rate Order.

12. The attorney for the District then advised that based on information provided by the Harris County Tax Assessor's Office, the District's 2020 taxes are 99.55% collected.

13. The Board then recognized Ms. Keli Schroeder who presented the engineer's report. The Board authorized advertisement for bids for the Water Plant No. 5 water sewer extensions and authorized award of the contract for the Water Plant No. 1 and 2 rehabilitation. The contract was awarded to Pioneer Construction with a bid in the amount of \$845,100. The engineer reported on testing of Water plant No. 5 and advised that the plant is

producing gas. The engineer discussed with the Board alternatives for removal of the gas and agreed to present more details at a future Board meeting.

14. The Board then considered a request from Del Packaging for annexation of fully developed property on Telge Road, which is currently on well water and septic. It appeared the property owner is requesting 15 equivalent single-family connections of water capacity only. The Board considered annexation of the property and agreed to annex the property provided the property owner pays all costs of annexation and provided that the commitment of utilities is limited to the 15 connections as requested, and will not include an increase of capacity in the event of redevelopment on the site. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

15. The Board then recognized Mr. Shea Walker, who reported on maintenance of the detention ponds and trails in the District and identified certain areas that need attention. The Board discussed the matter and requested Mr. Walker provide on a monthly basis an estimate of costs of the recommended repairs. The Board then discussed the mowing frequency and the frequency of tractor mowing and agreed to a revised the frequency for both. After discussion upon unanimous vote, the Champions Hydro-Lawn report was approved by the Board.

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

Secretary