

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

Minutes of Meeting of Board of Directors

October 21, 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 October 21, 2021, 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
Bruce Gallun, Director
Mindy Cernosek, Director

and the following absent:

None.

Also present was Ms. Julie Peak of Masterson Advisors, Ms. Keli Schroeder and Mr. Nelson Gaez of BGE, Inc., 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. Todd Johnson and Mr. Trey Villagran of Caldwell Companies, and Mr. Shea Walker and Mr. Jerry Schroeder of Champions Hydro-Lawn, Ms. Jennifer Lembecke of Valencia Pines Homeowners Association, Mr. Michael Kaska of KB Home, Mr. Ronnie Harris of BGE, Inc., Mr. Scott Black of David Weekly Homes, 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 September 16, 2021, and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board recognized Ms. Katie Golzarri who presented the Clark Condon report on the trails phases 1 and 2 including acquisition of easements and signs. The Board approved pay application no. 16 and approved the Clark Condon report.

3. 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 expenditure 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.

4. The Board then reviewed the operator's report reflecting 13 taps during the previous month bringing the total connections in the District to 7,804. The Board reviewed the billing and collections summary and the operation of the water plants and the sewer treatment plants. It appeared that 90.9% 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. Mr. Muse reported to the Board that there is graffiti and damage to the fence at a District facility in Treeline. The Board discussed the matter and requested the operator solicit a bid for the repairs and report the matter to the Constable. 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 2020 taxes are 99.54% collected.

6. The Board then recognized Ms. Keli Schroeder who presented the engineer's report. Ms. Schroeder reported on construction of water plant no. 5 rehabilitation of water plant no. 2 and expansion of water plant no. 4. The engineer also recommended amendment of the waste discharge permit for water plant no. 2 to increase the permit parameters. The engineer reported on the surplus funds application and the projects to be funded from bond application no. 17. After discussion the Board approved all action items that reflected in the report. After further discussion, upon unanimous vote, the engineer's report was approved by the Board.

7. The Board acknowledged publication of Notice of Sale of the District's \$11,310,000 Series 2021B Bonds. The Board recognized Ms. Julie Peak, the District's financial advisor, who presented a tabulation of two bids received for purchase of the Bonds and a recommendation for award of sale of the Bonds. It appeared that the low bidder was R.W. Baird & Co., Inc with Build America Mutual insurance and a net interest cost of 2.588272%. The Board considered the bids, and upon unanimous vote, the Board adopted the attached Order awarding sale of the Bonds to R.W. Baird & Co., Inc.

8. The Board then considered a Bond Order including form of Bond, Paying Agent/Registrar Agreement, Official Statement and various certificates and documents related to the issuance of the Bonds, approval by the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts and delivery to the purchaser, and upon unanimous vote, all documents were approved by the Board. The Board further authorized the President, Vice President and Secretary, as well as the District consultants, to take such action as is necessary to cause the Bonds to be approved and delivered.

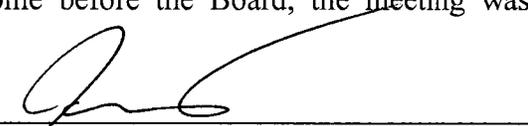
9. The Board then recognized Ms. Julie Peak who presented an analysis of a possible refunding of a portion of the District's outstanding bonds which would result in a net present value savings to the District. The Board reviewed the analysis, and upon unanimous vote, the Board authorized sale of the bonds on a parameters basis with the requirement that the net present value savings exceed 3.0% 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 R.W. Baird & Co., Inc 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.

10. The Board then recognized Mr. Shea Walker of Champions Hydro-Lawn, who reported on the condition of all the properties maintained by Champions including the detention ponds and trails. The Board discussed the needed remediation in several areas and it was agreed that Champions submit proposals to the parks committee for a recommendation.

The Board then received reports from developers in the District and agreed to enter a reimbursement agreement with Caldwell Companies, for all utilities that qualify for reimbursement under the rules of the Texas Commission on Environmental Qualities for the 28.01 acres on Shaw Road.

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



Secretary