

MINUTES  
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

April 20, 2023

The Board of Directors (the "Board") of Harris-Waller Counties Municipal Utility District No. 5 (the "District") met in regular session, open to the public, on the 20th day of April, 2023, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board being present:

Christie Leighton	President
Brian Lopera	Vice President
Olga M. Strong	Secretary
Jimm Davis	Assistant Vice President
Cindy Morrow	Assistant Secretary

and all of the above were present except Directors Lopera and Davis, thus constituting a quorum.

Also attending the meeting in person or by telephone were David Morrison of Land Tejas Development Company; Andrew Dunn and Matthew Dunn of On-Site Protection LLC; Lacy Hamilton of KGA/DeForest Design, LLC ("KGA"); Aaron Vazquez and LeKeita Sanders of Silt Solutions; Erik Scott of Champions Hydro-lawn, Inc; David Wood of Robert W. Baird & Co. Inc. ("Robert W. Baird"); Patty Rodriguez of Bob Leared Interests; Blair Bozoarth and Travis Miller of Quiddity Engineering, LLC ("Quiddity"); Dana Hollingsworth of Municipal District Services, LLC ("MDS"); Tracey Scott of Myrtle Cruz, Inc.; and Jessica Holoubek and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the March 16, 2023, regular meeting. After review and discussion, Director Morrow moved to approve the meeting minutes. Director Strong seconded the motion, which passed by unanimous vote.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END APRIL 30, 2023

The Board reviewed a letter from McGrath & Co., PLLC ("McGrath") to conduct the District's audit for fiscal year end April 30, 2023. It was noted that an evergreen

audit engagement letter from McGrath was previously approved. Ms. Holoubek stated that the estimated cost of the audit is \$12,000 to \$13,000, and the estimated cost of the special revenue fund is \$4,000.

Following discussion, Director Leighton moved to authorize McGrath to conduct the District's audit for fiscal year end April 30, 2023. Director Strong seconded the motion, which passed unanimously.

AUTHORIZE PREPARATION OF PRELIMINARY OFFICIAL STATEMENT AND  
AUTHORIZE AUDITOR TO PREPARE REIMBURSEMENT REPORT

Mr. Wood updated the Board on the 2023 Unlimited Tax Bonds. He requested authorization to prepare the Preliminary Official Statement.

Ms. Holoubek requested the Board authorize McGrath to prepare the reimbursement report for the 2023 Unlimited Tax Bonds.

Following discussion, Director Leighton moved to (1) authorize Robert W. Baird to prepare the Preliminary Official Statement; and (2) authorize McGrath to prepare the reimbursement report. Director Morrow seconded the motion, which passed unanimously.

SECURITY SERVICES, INCLUDING COORDINATION WITH WALLER COUNTY

Mr. Dunn reviewed the security patrol report, a copy of which is attached.

SWPPP INSPECTION REPORT

Ms. Sanders presented and reviewed the SWPPP Inspections report, a copy of which is attached.

GARBAGE AND RECYCLING MATTERS, INCLUDING ANNUAL CONSUMER  
PRICE INDEX ADJUSTMENT

This agenda item was deferred until the next Board meeting.

FINANCIAL AND BOOKKEEPING MATTERS; BUDGET FOR FISCAL YEAR END  
APRIL 30, 2024

Ms. Scott presented and reviewed the bookkeeper's report, and the District's bills, budget comparison, and investment report, a copy of which is attached. She also presented and reviewed the budget for fiscal year end April 30, 2024, a copy of which is attached to the bookkeeper's report. Discussion ensued regarding changes to the draft budget.

After review and discussion, Director Morrow moved to (1) approve the bookkeeper's report and the checks presented for payment; and (2) adopt the District's budget for fiscal year end April 30, 2024, as revised. Director Strong seconded the motion, which passed unanimously.

#### TAX ASSESSOR/COLLECTOR MATTERS

Ms. Rodriguez presented and reviewed the tax assessor/collector's report, a copy of which is attached. After review and discussion, Director Morrow moved to approve the tax assessor/collector's report and payment of the tax bills. Director Strong seconded the motion, which passed unanimously.

#### OPERATION OF DISTRICT FACILITIES; HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

Ms. Hollingsworth presented and reviewed the operator's report, a copy of which is attached.

Ms. Hollingsworth then presented a list of delinquent customers to the Directors and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

After review and discussion, Director Leighton moved to (1) approve the operator's report; and (2) authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Strong seconded the motion, which passed unanimously.

#### ANNUAL REVIEW OF IDENTITY THEFT PREVENTION PROGRAM

Ms. Hollingsworth stated that the District's Identity Theft Prevention Program (the "Program") requires MDS to provide an annual written report evaluating the effectiveness of the Program, significant instances of identity theft detection, and any recommendations regarding changes to the Program. She reviewed the annual report on the District's Program, a copy of which is included in the operator's report. Ms. Hollingsworth stated that the procedures have been implemented. She stated that MDS is not recommending any changes to the Program at this time.

REVIEW EMERGENCY PREPAREDNESS PLAN AND AUTHORIZE FILING OF UPDATES

Ms. Holoubek discussed the Emergency Preparedness Plan ("EPP") with Quadvest, LP ("Quadvest") and requirements to file any updates with the Texas Commission on Environmental Quality ("TCEQ"). She said the District is required to update the personnel and contact information listed in the EPP and submit the updated pages to the TCEQ and other required entities. It was noted that there are no updates to the EPP. Following discussion, Director Morrow moved to adopt Quadvest's EPP. Director Strong seconded the motion, which passed unanimously.

MAINTENANCE AGREEMENT WITH SUNTERRA PROPERTY OWNERS ASSOCIATION

Ms. Holoubek presented and reviewed a Maintenance Agreement with Sunterra Property Owners Association (the "Maintenance Agreement"). She stated that the District will contribute towards the cost of the maintenance of the ponds, and the HOA will maintain the ponds.

After review and discussion, Director Leighton moved to approve the Maintenance Agreement and direct that the Maintenance Agreement be filed appropriately and retained in the District's official records. Director Morrow seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS; DEEDS, EASEMENTS, ENCROACHMENT AGREEMENTS, WAIVERS OF SPECIAL APPRAISAL, AND PLAT MATTERS; APPROVAL OF NEW SCHEDULE OF RATES FOR ENGINEERING AGREEMENT

Mr. Miller presented and reviewed the engineer's report, a copy of which is attached. He discussed an overview of engineering matters in the District.

Mr. Miller updated the Board on construction of water, sanitary, drainage and paving facilities for Sunterra Section 27. He recommended approval of Pay Estimate No. 6 and Final in the amount of \$42,732.10, for the water, sanitary sewer, and drainage portion, payable to Principal Services, and acceptance of the project. Mr. Miller also recommended approval of Change Order No. 5 to the contract with Principal Services to decrease the contract in the amount of -\$16,329.00. The Board determined that Change Order No. 5 is beneficial to the District.

Mr. Miller updated the Board on construction of water, sanitary, drainage and paving facilities for Sunterra Section 21. He recommended approval of Pay Estimate No. 4 and Final in the amount of \$125,628.14, for the water, sanitary sewer, and drainage portion, payable to Principal Services, and acceptance of the project. Mr. Miller also recommended approval of Change Order No. 1 to the contract with

Principal Services to decrease the contract in the amount of -\$22,902.00. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Miller updated the Board on construction of Sunterra Lift Station No. 1. He recommended approval of Pay Estimate No. 13 in the amount of \$121,169.46, payable to ZeusCon, LLC ("ZeusCon"). Mr. Miller also recommended approval of Change Order No. 6 to the contract with ZeusCon to increase the contract in the amount of \$12,898.40. The Board determined that Change Order No. 6 is beneficial to the District.

After review and discussion as recommended by the engineer, Director Morrow moved to (1) approve the engineer's report; (2) approve the Pay Estimates, as presented, and accept the completed project; and (3) approve the Change Orders, as presented, based upon the Board's finding that the Change Orders are beneficial to the District and the District engineer's recommendation. Director Strong seconded the motion, which passed unanimously.

PARK AND RECREATIONAL FACILITIES MATTERS

Ms. Hamilton updated the Board on Sunterra Sol Club West Amenity Improvements. She reviewed the plans and specifications and requested the Board authorize KGA to advertise for bids for Sunterra Sol Club West Amenity Improvements.

Following review and discussion, Director Leighton moved to approve the plans and specifications and authorize KGA to advertise for bids for Sunterra Sol Club West Amenity Improvements. Director Morrow seconded the motion, which passed unanimously. A copy of KGA's landscape architect report is attached.

DETENTION AND DRAINAGE FACILITIES

Mr. Scott presented and reviewed a detention and drainage facilities report, a copy of which is attached.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)



  
Secretary, Board of Directors

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