

MINUTES
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

May 18, 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 18th day of May, 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
Vacant	Assistant Vice President
Cindy Morrow	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also attending the meeting in person or by telephone were Shamar O'Bryant and David Morrison of Land Tejas Development Company; Lacy Hamilton of KGA/DeForest Design, LLC ("KGA"); Colin Walton 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; Travis Miller of Quiddity Engineering, LLC ("Quiddity"); Lee Crenshaw 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 April 20, 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.

SECURITY SERVICES, INCLUDING COORDINATION WITH WALLER COUNTY

The Board reviewed the security patrol report previously provided by On-Site Protection LLC, a copy of which is attached.

SWPPP INSPECTION REPORT

Mr. Walton presented and reviewed the SWPPP Inspections report, a copy of which is attached.

GARBAGE AND RECYCLING MATTERS, INCLUDING ANNUAL CONSUMER PRICE INDEX ADJUSTMENT

The Board reviewed a letter from Best Trash, LLC regarding the automatic annual Consumer Price Index ("CPI") price adjustment reflecting a cost increase from \$20.50 to \$21.61. Following review and discussion, Director Morrow moved to approve the annual CPI adjustment to \$21.61. Director Lopera seconded the motion, which passed unanimously, with Director Leighton abstaining. A copy of the annual CPI adjustment letter is attached.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed fees of office and expenses in connection with the Association of Water Board Directors ("AWBD") summer conference.

After review and discussion, Director Leighton moved to authorize directors attending the AWBD summer conference to receive up to four per diems, three hotel nights, and reimbursement of reasonable meals during the conference, all in accordance with the Guidelines. Director Morrow seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

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.

After review and discussion, Director Morrow moved to approve the bookkeeper's report and the checks presented for payment. 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. She reported that the District's 2023 preliminary value is \$358,070,701. After review and discussion, Director Morrow moved to approve the tax assessor/collector's report and payment of the tax bills. Director Leighton 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; CONSUMER CONFIDENCE REPORT

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

Mr. Crenshaw 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.

Mr. Crenshaw reported that the District's drinking water is regulated by the Texas Commission on Environmental Quality ("TCEQ") to ensure the water is meeting all of the requirements as stated in the Federal Drinking Water Standards, which also requires the District to publish a Consumer Confidence Report ("CCR") to residents in the District regarding the status of the drinking water. A copy of the CCR is attached to the operator's report.

After review and discussion, Director Morrow moved to (1) approve the operator's report; (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; and (3) approve the CCR, and authorize the operator to deliver the CCR and file the certificate of delivery with the TCEQ. Director Lopera seconded the motion, which passed unanimously.

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 18 and 19. He recommended approval of Pay Estimate No. 5 in the amount of \$95,892.13, for the paving portion, payable to Triple B. Services, LLP.

Mr. Miller updated the Board on construction of water, sanitary, drainage and paving facilities for Sunterra Section 21. He recommended approval of the Certificate of Substantial Completion for the water, sanitary sewer, and drainage portion of the project. Mr. Miller also recommended approval of Pay Estimate No. 6 and Final in the amount of \$12,732.04 for the paving portion, payable to Principal Paving, and

acceptance of the project. Mr. Miller also recommended approval of Change Order No. 2 to the contract with Principal Paving to decrease the contract in the amount of - \$40,941.00. The Board determined that Change Order No. 2 is beneficial to the District. He further recommended approval of the Certificate of Substantial Completion.

Mr. Miller updated the Board on construction of Sunterra Lift Station No. 1. He recommended approval of Pay Estimate No. 14 in the amount of \$83,453.34, payable to ZeusCon, LLC.

Mr. Miller updated the Board on construction of Sunterra Section 27 Drainage Improvements. He stated that bids were received for construction of Sunterra Section 27 Drainage Improvements. Mr. Miller recommended that the Board award the contract to Infrastructure Construction Services ("ICS") in the amount of \$16,450.00. The Board concurred that, in its judgment, ICS was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Miller updated the Board on construction of paving and driveway facilities in Sunterra Section 27. He stated that bids were received for construction of paving and driveway facilities in Sunterra Section 27. Mr. Miller recommended that the Board award the contract to NORKON Construction, LLC ("NORKON") in the amount of \$12,492.00. The Board concurred that, in its judgment, NORKON was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Miller reviewed a Waiver of Special Appraisal for the Benefit of the District between the District and Astro Sunterra, L.P. ("Astro Sunterra") through which Astro Sunterra waives their right to claim any agricultural, open-space, or timberland exemptions, or inventory valuation, or a right to use any other mechanism now available for the reduction of ad valorem tax liability.

After review and discussion as recommended by the engineer, Director Strong moved to (1) approve the engineer's report; (2) approve the Pay Estimates, as presented, and accept the completed project; (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; (4) award the construction contracts, based upon the engineer's recommendation and receipt of the payment and performance bonds and the certificates of insurance and endorsements, if any, provided by the contractors; and (5) ratify acceptance of the Waiver of Special Appraisal for the Benefit of the District. Director Leighton seconded the motion, which passed unanimously.

PARK AND RECREATIONAL FACILITIES MATTERS

Ms. Hamilton updated the Board on Sunterra Beach Corner Park Improvements. She stated that bids were received for Sunterra Beach Corner Park Improvements. Ms. Hamilton recommended that the Board award the contract to D.L. Meacham LP ("D.L. Meacham") in the amount of \$1,006,441.57. The Board concurred that, in its judgment, D.L. Meacham was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.


Following review and discussion, Director Morrow moved to (1) approve KGA's report; and (2) award the construction contract, based upon the landscape architect's recommendation and receipt of the payment and performance bonds and the certificates of insurance and endorsements, if any, provided by the contractor. Director Lopera seconded the motion, which passed unanimously. A copy of KGA's landscape architect report is attached.

DETENTION AND DRAINAGE FACILITIES

Mr. Scott discussed detention and drainage facilities in the District.

Mr. Morrison discussed development in the District.

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


Secretary, Board of Directors

(SEAL)



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