

MINUTES
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

July 6, 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 6th day of July, 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 Dane Turner of Best Trash, LLC; Lacy Hamilton of KGA/DeForest Design, LLC ("KGA"); Colin Walton of Silt Solutions; Erik Scott of Champions Hydro-lawn, Inc; Stephen Eustis of Robert W. Baird & Co. Inc. ("Robert W. Baird"); Patty Rodriguez of Bob Leared Interests; Blair Bozoarth of Quiddity Engineering, LLC ("Quiddity"); Rosie Kaetzer of Kimley Horn; Dana Hollingsworth of Municipal District Services, LLC ("MDS"); Marissa Iguess of Myrtle Cruz, Inc.; Wes Simon, a member of the public; and Jessica Holoubek, Brooke Milbauer, Megan Leissner, and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Leighton offered any members of the public attending the meeting the opportunity to make public comment.

Mr. Turner reported on a large amount of trash at water plant site no. 1 that needs to be removed.

There being no additional members of the public requesting to make public comment, Director Leighton moved to the next agenda item.

APPROVE MINUTES

The Board considered approving the minutes of the May 18, 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.

APPOINTMENT OF NEW DIRECTOR; REORGANIZATION OF BOARD AND EXECUTION OF DISTRICT REGISTRATION FORM

The Board considered appointing a new director to the Board.

The Board considered reorganization. Ms. Holoubek stated that a revised District Registration Form must be executed and submitted to the Texas Commission on Environmental Quality (“TCEQ”) listing the new director’s term and office.

After discussion, Director Morrow moved (1) to appoint Wes Simon to the Board and authorize acceptance of his Sworn Statement, Oath of Office, and Official Bond; (2) that the Directors’ positions be as follows:

Christie Leighton	President
Brian Lopera	Vice President
Olga M. Strong	Secretary
Wes Simon	Assistant Vice President
Cindy Morrow	Assistant Secretary

and (3) that the Board authorize execution of the District Registration Form. Director Strong seconded the motion, which passed unanimously.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Holoubek presented and reviewed a memorandum from ABHR regarding the Texas Open Meetings Act Requirements, a copy of which is attached. She stated that each elected public official is required to complete a course of training regarding responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 551, Texas Local Government Code.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE AND LIST OF LOCAL GOVERNMENT OFFICERS FOR THE DISTRICT

Ms. Holoubek reviewed a memorandum regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission. After discussion, the Board concurred for Director Simon to review the memorandum and forms and file the appropriate forms for any disclosable conflicts. The Board also concurred to authorize execution of an updated List of Local Government Officers reflecting the new director.

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.

ADOPT RESOLUTION CHANGING POSTING PLACE FOR NOTICE OR BOARD OF DIRECTORS MEETINGS

Ms. Holoubek presented a Resolution Changing Posting Place for Notice of Board of Director Meetings to update the address of the posting location of the notices of Board of Directors meetings to Lift Station No. 1, 500 Sunterra Shores Drive, Katy, Texas 77493. After review and discussion, Director Leighton moved to adopt the Resolution Changing Posting Place for Notice of Board of Director Meetings. Director Morrow seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Iguess 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 Leighton moved to approve the bookkeeper's report and the checks presented for payment. Director Morrow seconded the motion, which passed unanimously.

RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board discussed requesting an appraisal of property and certificate of estimated appraised value for the District as of July 1, 2023.

After review and discussion, Director Leighton moved to adopt a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and direct that the Resolution be filed appropriately and retained in the District's official records. Director Strong seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR MATTERS; AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. Rodriguez presented and reviewed the tax assessor/collector's report, a copy of which is attached.

Ms. Holoubek reported the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue") may begin to collect delinquent 2022 taxes on July 1, 2023.

After review and discussion, Director Morrow moved to (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) authorize Perdue to proceed with collection of the delinquent taxes. 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

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

Ms. Hollingsworth reported that there are no terminations this month.

After review and discussion, Director Leighton moved to approve the operator's report. Director Strong seconded the motion, which passed unanimously.

ENGINEERING MATTERS; DEEDS, EASEMENTS, ENCROACHMENT AGREEMENTS, WAIVERS OF SPECIAL APPRAISAL, AND PLAT MATTERS

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

Mr. Bozoarth 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. Bozoarth updated the Board on construction of Sunterra Lift Station No. 1. He recommended approval of Pay Estimate No. 15 in the amount of \$68,595.12, payable to ZeusCon, LLC.

Mr. Bozoarth updated the Board on construction of paving and driveway facilities in Sunterra Section 27. He recommended approval of Pay Estimate No. 1 and Final in the amount of \$16,450.00, payable to Infrastructure Construction Services, and acceptance of the project. He also recommended approval of the Certificate of Substantial Completion.

Mr. Bozoarth updated the Board on construction of paving and driveway facilities in Sunterra Section 27. He recommended approval of Change Order No. 1 to

the contract with Norkon Construction, LLC to increase the contract in the amount of \$800.00. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Bozoarth presented and reviewed a proposal for engineering fees to prepare Bond Application No. 3 in the amount of \$66,000.00.

After review and discussion as recommended by the engineer, Director Leighton moved to (1) approve the engineer's report; (2) approve the Pay Estimates, as presented, and accept the completed project; (3) approve the Change Order, as presented, based upon the Board's finding that the Change Order is beneficial to the District and the District engineer's recommendation; and (4) approve the proposal for engineering fees to prepare Bond Application No. 3. Director Strong seconded the motion, which passed unanimously.

GENERAL CERTIFICATE IN CONNECTION WITH HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 4 ("MUD 4") BOND SALE

Ms. Holoubek explained that because MUD 4 relies on contract tax payments from the District as a participant, among other sources to fund bond payments, the District must provide a General Certificate each time MUD 4 sells contract revenue bonds. She then presented to the Board a General Certificate in connection with the MUD 4 bond sale. Following review and discussion, Director Leighton moved to authorize execution of the General Certificate in connection with the MUD 4 bond sale. Director Morrow seconded the motion, which passed unanimously.

RESOLUTION TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 IN CONNECTION WITH MUD 4 BOND SALE

Ms. Holoubek stated that as previously discussed, because MUD 4 relies on contract tax payments from the District as a participant, among other sources to fund bond payments, the District must also provide current financial information on an annual basis. She then reviewed a Resolution to Comply with the Securities and Exchange Commission Rule 15c2-12, whereby the District agrees to provide current financial information on an annual basis. Following review and discussion, Director Leighton moved to authorize execution of the Resolution to Comply with the Securities and Exchange Commission Rule 15c2-12 in connection with the MUD 4 bond sale. Director Morrow seconded the motion, which passed unanimously.

SERIES 2023 UNLIMITED TAX BONDS

Mr. Eustis presented and reviewed a Preliminary Official Statement for the District's \$12,350,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds").

Mr. Eustis recommended approving the Paying Agent/Registrar for the Series 2023 Bonds.

The Board discussed authorizing advertisement for the sale of the Bonds and scheduling the Bond sale.

The Board discussed engaging McGrath & Co., PLLC ("McGrath") to prepare the reimbursement report for the District's Series 2023 Bonds.

After review and discussion, Director Morrow moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to ABHR and consultant comments; (2) appoint Regions Bank as the Paying Agent/Registrar for the Series 2023 Bonds; (3) authorize the advertisement for the sale of the Bonds and schedule the Bond sale for July 20, 2023; and (4) authorize McGrath to prepare the reimbursement report for the Series 2023 Bonds. Director Lopera seconded the motion, which passed unanimously.

PARK AND RECREATIONAL FACILITIES MATTERS

Ms. Kaetzer presented and reviewed Kimley Horn's landscape architect report, a copy of which is attached.

Ms. Kaetzer updated the Board on Section 5-7/11 Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate Nos. 9 and 10 in the amounts of \$10,412.47 and \$4,417.66, respectively, submitted by Triple E Construction. She also recommended approval of Change Order No. 4 to the contract with Triple E Construction to increase the contract in the amount of \$109,174.00. The Board determined that Change Order No. 4 is beneficial to the District.

Ms. Kaetzer updated the Board on Section 8-9 Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate Nos. 9, 10, and 11 in the amounts of \$17,283.28, \$10,968.75, and \$67,247.26, respectively, submitted by Earth First Landscapes ("Earth First"). She also recommended approval of Change Order No. 4 to the contract with Earth First to increase the contract in the amount of \$9,453.66. The Board determined that Change Order No. 4 is beneficial to the District.

Ms. Kaetzer updated the Board on Section 12-13 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate Nos. 6, 7, 8, and 9 in the amounts of \$98,053.00, \$5,703.99, \$20,848.82, and \$22,968.90, respectively, submitted by Triple E Landscape. She also recommended approval of Change Order Nos. 3 and 4 to the contract with Triple E Landscape to decrease the contract in the amount of -\$18,502.00 and to increase the contract in the amount of \$7,221.00, respectively. The Board determined that Change Order Nos. 3 and 4 are beneficial to the District.

Ms. Kaetzer updated the Board on Section 17-20 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate Nos. 4, 5, 6, 7, and 8 in the amounts of \$97,478.19, \$120,553.29, \$165,464.28, \$197,347.50, and

\$299,000.20, submitted by Earth First. She also recommended approval of Change Order No. 1 to the contract with Earth First to increase the contract in the amount of \$252,907.70. The Board determined that Change Order No. 1 is beneficial to the District.

Ms. Kaetzer updated the Board on Section 21 Hardscape, Landscape and Irrigation. She stated that bids were received for Section 21 Hardscape, Landscape and Irrigation. She recommended that the Board award the contract to Earth First in the amount of \$680,000.00. The Board concurred that, in its judgment, Earth First 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.

Ms. Kaetzer updated the Board on Section 26 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate Nos. 1, 2, 3, and 4 in the amounts of \$5,737.50, \$89,010.00, \$49,365.00, and \$40,177.66, respectively, submitted by JBM Landscapes. She also recommended approval of Change Order Nos. 1 and 2 to the contract with JBM Landscapes to increase the contract in the amounts of \$8,400.00 and \$4,165.50, respectively. The Board determined that Change Order Nos. 1 and 2 are beneficial to the District.

Ms. Kaetzer updated the Board on Section 27 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate Nos. 1 and 2 in the amounts of \$30,584.25 and \$56,508.75, submitted by HLU Services, Inc. ("HLU"). She also recommended approval of Change Order No. 1 to the contract with HLU to increase the contract in the amount of \$20,400.00. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion as recommended by the landscape architect, Director Morrow moved to (1) approve the landscape architect's report; (2) approve the Pay Estimates, as presented; (3) approve the Change Orders, as presented, based upon the Board's finding that the Change Orders are beneficial to the District and the landscapes architect's recommendation; and (4) award the construction contract, as recommended, based upon the District landscape architect's recommendation and subject to approval of the payment and performance bonds and review of the certificates of insurance and endorsements, if any, provided by the contractor. Director Lopera seconded the motion, which passed unanimously.

Ms. Hamilton presented and reviewed KGA's landscaping report, a copy of which is attached.

Following review and discussion, Director Morrow moved to approve KGA's report. Director Strong seconded the motion, which passed unanimously.

DETENTION AND DRAINAGE FACILITIES

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

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board reviewed the District’s current insurance policies and renewal proposal as submitted by McDonald & Wessendorff Insurance noting that the current coverage expires on August 11, 2023. Following review and discussion, Director Leighton moved to accept the renewal proposal for the District’s insurance and direct that the proposal be filed appropriately and retained in the District’s official records. Director Lopera seconded the motion, which carried unanimously.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Milbauer distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Holoubek reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District’s new form of Notice to Purchasers attached thereto. Ms. Holoubek explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Harris and Waller Counties and with the TCEQ. After review and discussion, Director Leighton moved to authorize execution of the Amendment to Information Form and to authorize filing with Harris and Waller Counties and the TCEQ. Director Morrow seconded the motion, which passed unanimously.

DEVELOPER’S REPORT

Mr. Bozoarth discussed development in the District.

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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