

MINUTES
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

July 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 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
Wes Simon	Assistant Vice President
Cindy Morrow	Assistant Secretary

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

Also attending the meeting in person or by telephone were Shamar O'Bryant of Land Tejas Development Company; Lacy Hamilton of KGA/DeForest Design, LLC ("KGA"); Erik Scott of Champions Hydro-lawn, Inc; Stephen Eustis and David Wood of Robert W. Baird & Co. Inc. ("Robert W. Baird"); Patty Rodriguez of Bob Leared Interests; Blair Bozoarth of Quiddity Engineering, LLC ("Quiddity"); Landon Huckins of Kimley Horn; Lee Crenshaw of Municipal District Services, LLC ("MDS"); Tina Kelsey of Myrtle Cruz, Inc.; and Jessica Holoubek, Brooke Milbauer, 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 July 6, 2023, regular meeting. After review and discussion, Director Strong moved to approve the meeting minutes. Director Simon seconded the motion, which passed by unanimous vote.

SECURITY SERVICES

There was no discussion on this agenda item.

SWPPP INSPECTION REPORT

The Board reviewed the SWPPP Inspections report, a copy of which is attached.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kelsey 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.

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 Leighton moved to approve the tax assessor/collector’s report and payment of the tax bills. Director Morrow seconded the motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

Ms. Holoubek discussed the “truth-in-taxation” property tax calculations and tax levy process for water districts and stated that Chapter 49, Texas Water Code establishes three main categories for water districts, based on a district’s development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District’s category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District’s development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2023 tax year.

Following review and discussion, Director Leighton moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developing District for the 2023 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District’s official records. Director Morrow 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

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 requested authorization to write off one uncollectable account totaling \$132.53 and send it to a collection agency.

After review and discussion, Director Strong 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) authorize MDS to write off one uncollectable account totaling \$132.53 and send it to a collection agency. Director Morrow 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 Sunterra Lift Station No. 1. He recommended approval of Pay Estimate No. 16 in the amount of \$53,313.89, payable to ZeusCon, LLC.

After review and discussion as recommended by the engineer, Director Leighton moved to (1) approve the engineer's report; and (2) approve the Pay Estimate, as presented. Director Morrow seconded the motion, which passed unanimously.

SERIES 2023 UNLIMITED TAX BONDS

Mr. Wood stated that the Board received five bids for the District's \$12,350,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds"). He reviewed the bid results, a copy of which is attached. Mr. Wood stated that good faith checks were submitted by all of the bidders as required. The Board considered awarding the sale of the Series 2023 Bonds. Mr. Wood stated he verified the accuracy of the bids and recommended that the Board accept the bid with the lowest net effective interest rate of 4.257793%, submitted by BofA Securities-New York, NY ("BofA"). A copy of the accepted bid from BofA is attached.

The Board considered adopting Resolution Authorizing the Issuance of the Series 2023 Bonds (the "Resolution").

The Board then considered approving a Paying Agent/Registrar Agreement between the District and BOKF, NA, Dallas, Texas.

Mr. Wood stated that the Preliminary Official Statement will be updated to reflect the terms of the bond sale.

Ms. Holoubek presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice stating that the Board has relied on its financial advisor, Robert W. Baird, for financial advice concerning the issuance of the Bonds.

The Board considered authorizing the Board of Directors to sign all documents related to the Bond sale and authorize the attorney and financial advisor to take all necessary actions to deliver the bonds to the purchaser.

The Board considered approving payment to the Attorney General of Texas for review of the Bond transcript.

Ms. Holoubek also stated that the Texas Water Code requires the District to file an Amendment to the Information Form with Harris and Waller Counties and the TCEQ in order to reflect the bonds issued by the District. She then reviewed the Amendment to the Information Form with the Board.

Mr. Bozoarth stated the Texas Commission on Environmental Quality ("TCEQ") inspection of facilities have been completed.

After review and discussion, Director Morrow moved to award the sale of the Series 2023 Bonds to BofA, whose bid contained the lowest net effective interest rate of 4.257793%. Director Leighton seconded the motion, which passed by unanimous vote.

After further review and discussion, Director Leighton moved to (1) adopt the Resolution Authorizing Issuance of the District's \$12,350,000 Unlimited Tax Bonds, Series 2023; (2) approve BOKF, NA, Dallas, Texas as the Paying Agent/Registrar for the Bonds; (3) approve the Official Statement; (4) approve the Certificate Regarding Provision of Financial Advice; (5) authorize the Board of Directors to sign all documents related to the Bond sale and authorize the attorney and financial advisor to take all necessary actions to deliver the bonds to the purchaser; (6) approve payment to the Attorney General of Texas for review of the Bond transcript; (7) authorize execution of the Amendment to Information Form; and (8) direct that the Resolution, Official Statement, Certificate, Amendment to Information Form and all relevant Bond documents be filed appropriately and retained in the District's official records. Director Morrow seconded the motion, which passed by unanimous vote.

PARK AND RECREATIONAL FACILITIES MATTERS

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

Mr. Huckins updated the Board on Section 5-7/11 Landscape and Irrigation. He reviewed and recommended approval of Pay Estimate No. 11 in the amount of \$111,836.18, submitted by Triple E Construction.

Mr. Huckins updated the Board on Section 12-13 Hardscape, Landscape and Irrigation. He reviewed and recommended approval of Pay Estimate No. 10, submitted by Triple E Landscape.

After review and discussion, and as recommended by the landscape architect, Director Leighton moved to (1) approve the landscape architect's report; and (2) approve the Pay Estimates, as presented. Director Morrow seconded the motion, which passed unanimously.

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

Ms. Hamilton updated the Board on Sunterra Sol Club West Amenity Improvements. She stated that bids were received for Sunterra Sol Club West Amenity Improvements. She recommended that the Board award the contract to D.L. Meacham LP ("D.L. Meacham") in the amount of \$2,339,158.78. 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, as recommended, based upon the KGA'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 Strong seconded the motion, which passed unanimously.

DETENTION AND DRAINAGE FACILITIES

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

DEVELOPER'S REPORT

Mr. O'Bryant 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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