

MINUTES
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

September 21, 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 21st day of September, 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 were Erik Scott of Champions Hydro-lawn, Inc. ("Champions"); David Wood of Robert W. Baird & Co. Inc. ("Robert W. Baird"); Patty Rodriguez of Bob Leared Interests; Blair Bozoarth of Quiddity Engineering, LLC ("Quiddity"); Callie Whitbeck of Kimley-Horn & Associates, Inc. ("Kimley-Horn"); Dana Hollingsworth of Municipal District Services, LLC ("MDS"); Tracey Scott of Myrtle Cruz, Inc.; and Jessica Holoubek, Brooke Milbauer, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting via teleconference was Lacy Hamilton of KGA/DeForest Design, LLC ("KGA").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the August 17, 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

The Board reviewed the security patrol report, a copy of which is attached.

SWPPP INSPECTION REPORT

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

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

Ms. Holoubek reviewed the District's annual report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA").

Following review and discussion, Director Leighton moved to approve the annual report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolutions through EMMA, and direct that the report be filed appropriately and retained in the District's official records. Director Morrow seconded the motion, which passed unanimously.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Ms. Holoubek stated that no changes are required at this time.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Holoubek reported on the District's compliance activities during the prior calendar year related to bond financing. She stated that no corrective action is required at this time.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott presented and reviewed the bookkeeper's report, investment report, and the bills presented for payment from the District's accounts.

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 by unanimous vote. A copy of the bookkeeper's report is attached.

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 Simon seconded the motion, which passed unanimously.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2023 tax rate. Mr. Wood presented a tax rate analysis of the recommended District tax rate, a copy of which is attached. Discussion ensued and the Board determined to publish notice of the 2023 tax rate at \$1.50 per \$100 of assessed valuation, with \$0.285 allocated to utility debt service, \$0.635 allocated to maintenance and operations, and a contract tax rate of \$0.58 per \$100 of assessed valuation. The Board then discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Leighton moved to (1) set a public hearing date to adopt the tax rate on October 18, 2023, at 3:00 p.m.; and (2) authorize the tax assessor/collector to publish notice of the tax hearing on October 18, 2023, at 3:00 p.m., to set the proposed 2023 total tax rate of \$1.50 per \$100 of assessed valuation. Director Morrow seconded the motion, which passed unanimously.

SERIES 2023 UNLIMITED TAX ROAD BONDS

Mr. Wood discussed the District's 2023 Unlimited Tax Road Bonds. He presented and reviewed a Preliminary Official Statement for the District's proposed \$11,275,000 Unlimited Tax Road Bonds, Series 2023 (the "Road Bonds").

Mr. Wood presented and reviewed an application to Moody's Investor Services for the Road Bonds.

Mr. Wood recommended appointing BOKF, NA as the Paying Agent/Registrar for the Road Bonds.

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

The Board discussed authorizing McGrath & Co, PLLC ("McGrath") to prepare the reimbursement report for the Road Bonds.

After review and discussion, Director Leighton moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to ABHR and

consultant comments; (2) authorize the application to Moody's Investor Services; (3) appoint BOKF, NA as the Paying Agent/Registrar for the Road Bonds; (4) authorize the advertisement for the sale of the Road Bonds and schedule the Road Bond sale for October 18, 2023 at 3:00 p.m.; and (5) authorize McGrath to prepare the reimbursement report for the Road Bonds. 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

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.

Ms. Hollingsworth requested authorization to write off one uncollectable account totaling \$89.13 and send it to a collection agency.

After review and discussion, Director Leighton 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 \$89.13 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 water, sanitary, drainage and paving facilities for Sunterra Section 18 and 19. He recommended approval of Pay Estimate No. 7 and Final in the amount of \$12,809.55, payable to Fellers & Clark, LP ("Fellers & Clark"), and final acceptance of the project. He also recommended approval of Change Order No. 3 to the contract with Fellers & Clark for the water, sewer, and drainage portion to decrease the contract in the amount of -\$35,045.00. The Board determined that Change Order No. 3 is beneficial to the District. Mr. Bozoarth also recommended approval of Pay Estimate No. 6 and Final in the amount of \$95,892.13, for

the paving portion, payable to Triple B. Services, LLP, and final acceptance of the project.

Mr. Bozoarth reviewed the draft summary of costs for the next road bond issue, a copy of which is attached to the engineer's report.

Mr. Bozoarth updated the Board on the preparation of the preliminary summary of costs for the next water, sewer, and drainage bond issue.

Mr. Bozoarth updated the Board on the preparation of the preliminary summary of costs for the first park bond issue.

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 projects; and (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. Director Strong seconded the motion, which passed unanimously.

PARK AND RECREATIONAL FACILITIES MATTERS

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

Ms. Whitbeck updated the Board on Section 5-7/11 Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 12 in the amount of \$116,723.13, payable to Triple E Construction.

Ms. Whitbeck updated the Board on Section 12-13 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate Nos. 12 and 13 in the amounts of \$16,874.77 and \$88,075.29, respectively, payable to Triple E Landscape. She also recommended approval of Change Order No. 5 to the contract with Triple E Landscape to increase the contract in the amount of \$11,189.75. The Board determined that Change Order No. 5 is beneficial to the District.

Ms. Whitbeck updated the Board on Section 17-20 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 10 in the amount of \$3,510.00, submitted by Earth First.

Ms. Whitbeck updated the Board on Section 21 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$16,252.20, submitted by Earth First.

Ms. Whitbeck updated the Board on Section 27 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$176,736.15, submitted by HLU Services, Inc.

Ms. Whitbeck updated the Board on Section 34 Hardscape, Landscape and Irrigation. She stated that bids were received for Section 34 Hardscape, Landscape and Irrigation. Ms. Whitbeck recommended that the Board award the contract to Allstar Landscaping ("Allstar") in the amount of \$121,895.55. The Board concurred that, in its judgment, Allstar 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.

After review and discussion, and 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 Order, as presented, based upon the Board's finding that the Change Order is beneficial to the District and the District landscape 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 Leighton seconded the motion, which passed unanimously.

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

Ms. Hamilton updated the Board on Sunterra Beach Corner Park Improvements. She reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$31,750.20, submitted by DL Meacham.

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

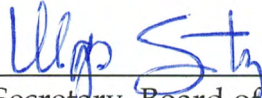
DETENTION AND DRAINAGE FACILITIES

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

DEVELOPER'S REPORT

There was no discussion on this agenda item.

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


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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