

MINUTES  
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

October 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 October, 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, thus constituting a quorum.

Also attending the meeting in person were Shamar O'Bryant of Land Tejas Development Company; Erik Scott of Champions Hydro-lawn, Inc. ("Champions"); Stephen Eustis 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.; Mr. and Mrs. Handy Ha, residents of the District; and 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 September 21, 2023, regular meeting. After review and discussion, Director Morrow moved to approve the meeting minutes. Director Lopera 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 Inspection report, a copy of which is attached.

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

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

She reviewed with the Board an amended budget for the fiscal year ending April 30, 2024, a copy of which is attached to the bookkeeper's report. She stated that the line items for the Maintenance Tax in the budget were amended.

After review and discussion, Director Leighton moved to (1) approve the bookkeeper's report and the checks presented for payment; and (2) adopt the amended budget for the fiscal year ending April 30, 2024, and direct that it be filed appropriately and retained in the District's official records. Director Lopera seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Ms. Milbauer reviewed the District's Investment Policy and stated no amendments to the policy are recommended at this time. After discussion, the Board determined not to amend the Investment Policy. Following review and discussion, Director Morrow moved to adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Lopera seconded the motion, which passed unanimously.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Milbauer reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. After review and discussion, Director Leighton moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Lopera 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.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Rodriguez confirmed that Bob Leared Interests published a Notice of Public Hearing stating the District anticipates levying a \$1.50 tax rate at this meeting. The Board opened the public hearing regarding the adoption of the District's 2023 tax rate. There being no members of the public in attendance who wished to address the Board, the public hearing was closed.

Ms. Milbauer reviewed an Order Levying Taxes with a total tax rate of \$1.50 per \$100 of assessed valuation, with \$0.285 allocated to utility debt service, \$0.635 allocated to maintenance and operations, and \$0.58 allocated to contract tax payments, each per \$100 of assessed valuation, and an Amendment to Information Form. She stated that the Amendment to Information Form will be filed with the Texas Commission on Environmental Quality ("TCEQ") and recorded in the Official Public Records of Harris and Waller Counties.

After review and discussion, Director Morrow moved to take the following actions: (1) adopt the Order Levying Taxes reflecting a tax rate of \$1.50 per \$100 of assessed valuation, with \$0.285 allocated to utility debt service, \$0.635 allocated to maintenance and operations, and \$0.58 allocated to contract tax payments, each per \$100 of assessed valuation, and direct that the Order be filed appropriately and retained in the District's official records; and (2) authorize execution of the Amendment to Information Form and direct that the Amendment be filed appropriately and retained in the District's official records. Director Lopera seconded the motion, which passed unanimously.

SERIES 2023 UNLIMITED TAX ROAD BONDS

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S \$11,275,000 UNLIMITED TAX ROAD BONDS, SERIES 2023

Mr. Eustis stated that the Board received six bids for the District's \$11,275,000 Unlimited Tax Road Bonds, Series 2023 (the "Series 2023 Road Bonds"). He reviewed the bid results, a copy of which is attached. Mr. Eustis stated that good faith checks were submitted by all of the bidders as required. The Board considered awarding the sale of the Series 2023 Road Bonds. Mr. Eustis stated he verified the accuracy of the bids and recommended that the Board accept the bid with the lowest net effective interest rate of 5.178355%,



submitted by Raymond James & Associates, Inc. - Memphis, TN ("Raymond James"). A copy of the accepted bid from Raymond James is attached.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$11,275,000 UNLIMITED TAX ROAD BONDS, SERIES 2023

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

PAYING AGENT/REGISTRAR AGREEMENT

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

OFFICIAL STATEMENT

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

CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Milbauer 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.

AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALE AND AUTHORIZE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO THE PURCHASER

Ms. Milbauer stated that it will be necessary for the President and Secretary of the Board to sign certain documents relating to the sale of the Series 2023 Road Bonds, and for the attorney to submit a transcript of the bond proceedings to the Attorney General of Texas. She added that the financial advisor also will take necessary action in connection with the delivery of the bonds to the purchaser.

PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

Ms. Milbauer stated the District will need to submit a payment to the Texas Attorney General related to bond issue transcript review in the amount of \$11,275 for the Series 2023 Road Bonds.

## EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Milbauer 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.

After review and discussion, Director Morrow moved to (1) award the sale of the Series 2023 Road Bonds to Raymond James, whose bid contained the lowest net effective interest rate of 5.178355%; (2) adopt the Road Bond Resolution and direct that it be filed appropriately and retained in the District's official records; (3) approve the Paying Agent/Registrar Agreement between the District and BOKF, NA, Dallas, Texas, and direct that it be filed appropriately and retained in the District's official records; (4) approve the Official Statement for the Series 2023 Road Bonds; (5) approve the Certificate Regarding Provision of Financial Advice related to the Series 2023 Road Bonds and direct that it be filed appropriately and retained in the District's official records; (6) authorize the President and Secretary to sign the documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser; (7) approve payment to the Texas Attorney General in the amount of \$11,275; and (8) authorize execution of the Amendment to Information Form and direct that it be filed appropriately and retained in the District's official records. Director Strong seconded the motion, which passed by unanimous vote.

## 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 Morrow seconded the motion, which passed unanimously.

CPI ADJUSTMENT TO OPERATOR'S SCHEDULE OF RATES AND ADJUSTMENTS TO TAP CONNECTION FEES AND CONSIDER AMENDMENT TO RATE ORDER

This agenda item was deferred until the next Board meeting.

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 17 and Collector C Segment 1. He recommended approval of Pay Estimate No. 5 and Final in the amount of \$174,904.65, payable to Park Construction Associates, LLC ("Park Construction") for the paving portion, and final acceptance of the project. He also recommended approval of Change Order No. 5 to the contract with Park Construction for the paving portion to decrease the contract in the amount of -\$137,307.50. The Board determined that Change Order No. 5 is beneficial to the District.

Mr. Bozoarth presented and reviewed a proposal for preparation of an Emergency Preparedness Plan ("EPP") for the District at a cost of \$5,000.00 for submittal to the TCEQ.

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

UPDATE ON BOND APPLICATION, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS

Mr. Bozoarth gave an update on bond application no. 3. He presented and reviewed a summary of costs for a Road Bond and a Utility Bond along with a Bond Anticipation Note.

The Board considered adopting a Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds

Following review and discussion, and based on the engineer's recommendation, Director Leighton moved to adopt the Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds, subject to finalization and direct that the Resolution

be filed appropriately and retained in the District's official records. Director Lopera 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 17-20 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 11 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. 3 in the amount of \$132,120.00, submitted by Earth First.

Ms. Whitbeck updated the Board on Section 26 Hardscape, Landscape and Irrigation. She recommended approval of Change Order No. 4 to the contract with JBM Landscapes to increase the contract in the amount of \$10,150.00. The Board determined that Change Order No. 4 is beneficial to the District.

Ms. Whitbeck updated the Board on Section 27 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$17,637.61, submitted by HLU Services, Inc. ("HLU"). She also recommended approval of Change Order No. 2 to the contract with HLU to decrease the contract in the amount of -\$95,911.94. The Board determined that Change Order No. 2 is beneficial to the District.

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; 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 landscape architect's recommendation. Director Leighton seconded the motion, which passed unanimously.

Ms. Milbauer reviewed KGA/DeForest Design, LLC's ("KGA") landscaping report on behalf of KGA, a copy of which is attached.

Ms. Milbauer, on behalf of KGA, updated the Board on Sunterra Beach Corner Park Improvements. She reviewed Pay Estimate No. 3 in the amount of \$55,401.66, submitted by DL Meacham, that was recommended for approval by KGA. Ms. Milbauer, also on behalf of KGA, reviewed Change Order No. 1 to the contract with DL Meacham for a 33-day extension due to delays in control staking. The Board determined that Change Order No. 1 is beneficial to the District.



Following review and discussion, Director Leighton moved to (1) approve KGA's report; (2) approve the Pay Estimate, as presented; and (3) approve the Change Order, as presented, based upon the Board's finding that the Change Order is beneficial to the District and KGA's recommendation. Director Lopera 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 reported on development matters 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)





LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Security patrol report .....	1
SWPPP Inspections report .....	1
Bookkeeper’s report.....	2
Tax assessor/collector’s report .....	2
Bid results for Series 2023 Road Bonds.....	3
Accepted bid from Raymond James for Series 2023 Road Bonds.....	4
Operator’s report.....	5
Engineer’s report.....	6
Kimley Horn’s landscape architect report.....	7
KGA’s landscaping report .....	7
Detention and drainage facilities report.....	8