

MINUTES
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

November 16, 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 16th day of November, 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 Leighton, thus constituting a quorum.

Also attending the meeting in person were Matthew May and Dane Turner of Best Trash, LLC ("Best Trash"); Alex Stachow of McGrath & Co., PLLC; 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 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 October 18, 2023, regular meeting. After review and discussion, Director Morrow moved to approve the meeting minutes. Director Simon seconded the motion, which passed by unanimous vote.

GARBAGE COLLECTION SERVICES

Mr. May discussed billing matters for garbage and recycling in the District. He stated that Best Trash has been billing the District for builder connections in addition to active residential connections. Discussion ensued.

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.

DEVELOPER REIMBURSEMENT REPORT FOR UNLIMITED TAX ROAD BONDS, SERIES 2023

Mr. Stachow presented and reviewed a developer reimbursement report for reimbursable amounts due to District developers from the District's Series 2023, Unlimited Tax Road Bond issue. After review and discussion, Director Lopera moved to approve the developer reimbursement report. Director Morrow seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS, AND AUTHORIZE DISBURSEMENT OF FUNDS

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 (1) approve the bookkeeper's report and the checks presented for payment; and (2) authorize disbursement of the bond proceeds as provided in the developer reimbursement report. Director Simon 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 Strong moved to approve the tax assessor/collector's report and payment of the tax bills. Director Simon 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 \$134.62 and send it to a collection agency.

After review and discussion, Director Morrow moved to (1) approve the operator's report; (2) authorize MDS to write off one uncollectable account totaling \$134.62 and send it to a collection agency; and (3) authorize deferring termination of delinquent accounts, as discussed, due to the holidays. Director Simon 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

Ms. Hollingsworth presented and reviewed MDS's schedule of rates and adjustments to tap connection fees. The Board considered amending the Rate Order due to the increase in the District operator's fees.

After review and discussion, Director Morrow moved to approve the annual CPI adjustments and adopt the Amended Rate Order, as discussed. Director Lopera 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 34. He recommended approval of Change Order No. 2 to the contract with Allgood Construction to decrease the contract in the amount of -\$42,016.62. The Board determined that Change Order No. 2 is beneficial to the District.

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

BOND ANTICIPATION NOTE, SERIES 2023

The Board considered authorizing Robert W. Baird to solicit bids in connection with issuance of the Bond Anticipation Note ("BAN") and engaging McGrath to prepare a developer reimbursement report.

Following review and discussion, Director Lopera moved to (1) engage Robert W. Baird to solicit bids for the BAN; and (2) engage McGrath to prepare a developer reimbursement report. 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 17-20 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 12 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. 4 in the amount of \$70,438.50, submitted by Earth First. Ms. Whitbeck also recommended approval of Change Order No. 2 to the contract with Earth First to add 23 days to the contract for site delays and weather. The Board determined that Change Order No. 2 is beneficial to the District.

Ms. Whitbeck updated the Board on Section 26 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 6 in the amount of \$1,417.50, submitted by JBM Landscapes.

Ms. Whitbeck updated the Board on Section 27 Hardscape, Landscape and Irrigation. She reviewed and recommended approval of Pay Estimate No. 6 in the amount of \$111,855.01, submitted by HLU Services, Inc. ("HLU"). She also recommended approval of Change Order No. 3 to the contract with HLU to decrease the contract in the amount of -\$20,400.00. The Board determined that Change Order No. 3 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. Holoubek reviewed KGA/DeForest Design, LLC's ("KGA") landscaping report on behalf of KGA, a copy of which is attached.

Ms. Holoubek, on behalf of KGA, updated the Board on Sunterra Beach Corner Park Improvements. She reviewed Pay Estimate No. 4 in the amount of \$72,892.24, submitted by DL Meacham, that was recommended for approval by KGA. Ms. Holoubek, also on behalf of KGA, reviewed Change Order No. 2 to the contract with DL Meacham for a 4-day rain delay. The Board determined that Change Order No. 2 is beneficial to the District.

Ms. Holoubek, on behalf of KGA, updated the Board on Sunterra Sol Club West Amenity Improvements. She reviewed Pay Estimate No. 1 in the amount of \$87,471.00, submitted by DL Meacham, that was recommended for approval by KGA. Ms. Holoubek, also on behalf of KGA, reviewed Change Order No. 1 to the contract with DL Meacham in the amount of \$494,226.00.

Following review and discussion, Director Morrow moved to (1) approve KGA's report; (2) approve the Pay Estimates, as presented; and (3) approve Change Order No. 2 to the contract with DL Meacham for Sunterra Beach Corner Park Improvements for a 4-day rain delay. Director Simon seconded the motion, which passed unanimously. There was no Board action taken on Change Order No. 1 for Sunterra Sol Club West Amenity Improvements, and the Board requested that a representative from KGA attend the next Board meeting to present and discuss the details of the Change Order.

DETENTION AND DRAINAGE FACILITIES

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

DEVELOPER'S REPORT

There was no discussion on this agenda item.

RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO THE BOARD OF DIRECTORS OF THE HARRIS CENTRAL APPRAISAL DISTRICT ("HCAD")

The Board considered adopting a Resolution Casting Ballot for the Election of a Person to the Board of Directors of the HCAD (the "Resolution"). Following review and discussion, Director Morrow moved to adopt the Resolution, casting the District's votes for Alan Bentson, and direct that the Resolution and ballot be filed appropriately and retained in the District's official records. Director Strong seconded the motion, which passed unanimously.

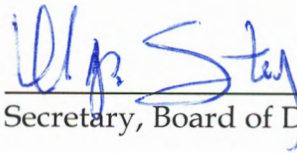
CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 2:19 p.m., pursuant to Section 551.071, Texas Government Code, to seek the advice of its attorney regarding pending or contemplated litigation or to seek and receive legal advice by the District's attorney.

RECONVENE IN OPEN SESSION

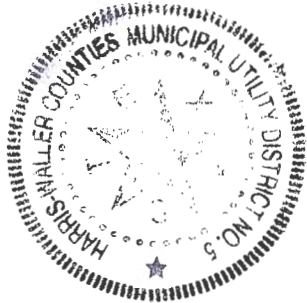
The Board reconvened in open session at 2:38 p.m. Following discussion, Director Morrow moved to (1) approve a 50% credit from Best Trash of the disputed amount of \$165,086.72 for previous payments that the District paid to Best Trash for builder connections; (2) authorize Best Trash to only bill for active residential connections effective immediately; and (3) amend the agreement with Best Trash to use the same language included in the Best Trash contracts with the other Sunterra Districts, Waller County Municipal Utility District No. 35 and Harris County Municipal Utility District No. 569. Director Lopera seconded the motion, which passed unanimously.

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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