

MINUTES
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

February 29, 2024

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 29th day of February, 2024, 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 Directors Leighton and Lopera, thus constituting a quorum.

Also attending the meeting in person were Andrew Dunn and Matthew Dunn of On-Site Protection LLC; Erik Scott of Champions Hydro-lawn, Inc. ("Champions"); Patty Rodriguez of Bob Leared Interests; Blair Bozoarth of Quiddity Engineering, LLC ("Quiddity"); Lee Crenshaw of Municipal District Services, LLC ("MDS"); Tracey Scott of Myrtle Cruz, Inc.; David Daughtry of Kimley-Horn & Associates, Inc. ("Kimley-Horn"); and Jessica Holoubek, Brooke Milbauer, and Merry Heyne 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 December 14, 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

Mr. A. Dunn presented and reviewed the security patrol report, a copy of which is attached.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD")

The Board discussed the recent AWBD winter conference and the AWBD summer conference that will be held from June 13-15, 2024, in Fort Worth.

Following review and discussion, Director Morrow moved to approve all eligible expenses from the AWBD winter conference which the bookkeeper confirmed are in compliance with the travel reimbursement guidelines and authorize attendance of any interested Directors at the AWBD summer conference. Director Simon seconded the motion, which unanimously.

FINANCIAL AND BOOKKEEPING MATTERS; ACCEPT ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

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.

Ms. Scott presented the Public Funds Investment Act Disclosure Statements for the bookkeeper and investment officer. She noted that the Disclosure Statements will be filed with the Texas Ethics Commission.

After review and discussion, Director Morrow moved to (1) approve the bookkeeper's report and the checks presented for payment; and (2) accept the Disclosure Statements and authorize filing with the Texas Ethics Commission. Director Strong seconded the motion, which passed unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

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

SALE AND ASSIGNMENT AGREEMENT FOR ASSIGNMENT OF RECEIVABLES TO UMB BANK, N.A.

Ms. Holoubek presented and reviewed a Sale and Assignment Agreement for Assignment of Receivables to UMB Bank, N.A. and other documents related to the Assignment (collectively, the "Assignment Agreement").

After review and discussion, Director Strong moved to ratify approval of the Assignment Agreement. 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 Morrow moved to approve the tax assessor/collector's report and payment of the tax bills. Director Strong seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Holoubek reviewed a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Morrow moved to adopt a Resolution Concerning Exemptions from Taxation, reflecting that the District rejects a general residential homestead exemption, and rejects any exemption for disabled persons and persons 65 years of age or older, and direct that the resolution be filed appropriately and retained in the District's official records. Director Strong 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. Following discussion, the Board concurred to defer action on terminations until the next Board meeting.

After review and discussion, Director Morrow 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 17 and Collector C Segment 1. He recommended approval of Pay Estimate No. 4 and Final in the amount of \$275,605.29 for the water, sanitary sewer, and drainage portion, payable to Dimas Brothers Construction, and final acceptance of the project. He also recommended approval of Change Order No. 2 to the contract with Dimas Brothers Construction to increase the contract in the amount of \$10,251.40. The Board determined that Change Order No. 2 is beneficial to the District. Mr. Bozoarth further recommended approval of Pay Estimate No. 5 and Final in the amount of \$174,904.65 for the paving portion, payable to Park Construction Associates, LLC ("Park Construction"), and final acceptance of the project. He also recommended approval of Change Order No. 5 to the contract with Park Construction to decrease the contract in the amount of -\$137,307.50. The Board determined that Change Order No. 5 is beneficial to the District.

After review and discussion as recommended by the engineer, Director Strong 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 Orders, as presented, based upon the Board's finding that the Change Orders are beneficial to the District and the District engineer's recommendation. Director Morrow seconded the motion, which passed unanimously.

PARK AND RECREATIONAL FACILITIES MATTERS

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

Mr. Daughtry reviewed an Agreement between the District and Kimley-Horn.

Mr. Daughtry updated the Board on Section 21 Hardscape, Landscape and Irrigation. He reviewed and recommended approval of Pay Estimate Nos. 6 and 7 in the amounts of \$142,194.46 and \$6,552.00, respectively, submitted by Earth First.

Mr. Daughtry updated the Board on Section 26 Hardscape, Landscape and Irrigation. He reviewed and recommended approval of Pay Estimate No. 9 in the amount of \$8,882.00, submitted by JBM Landscapes.

Mr. Daughtry updated the Board on Section 27 Hardscape, Landscape and Irrigation. He reviewed and recommended approval of Pay Estimate Nos. 8 and 9 in the amounts of \$84,506.32 and \$4,781.70, respectively, submitted by HLU Services, Inc.

Mr. Daughtry updated the Board on Section 17-20 Added Walks. He stated that bids were received for Section 17-20 Added Walks. He recommended that the Board award the contract to Earth First in the amount of \$11,873.84. 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. He also reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$11,873.84, submitted by Earth First.

After review and discussion, and as recommended by the landscape architect, Director Morrow moved to (1) approve the landscape architect's report; (2) authorize execution of the Agreement with Kimley Horn; (2) approve the Pay Estimates, as presented; and (3) award the construction contract, as recommended, based upon the District landscape architect's recommendation and receipt of the payment and performance bonds and the certificates of insurance and endorsements, if any, provided by the contractor. Director Strong 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. 7 in the amount of \$170,548.38, submitted by DL Meacham. She also recommended approval of Change Order No. 4 to the contract with DL Meacham for an 11-day rain delay. The Board determined that Change Order No. 4 is beneficial to the District.

Ms. Hamilton updated the Board on Sunterra Sol Club West Amenity Improvements. She reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$109,902.13, submitted by DL Meacham. Ms. Hamilton also recommended approval of Change Order No. 3 to the contract with DL Meacham to decrease the contract in the amount of -\$64,394.50. She further recommended approval of Change Order No. 4 to the contract with DL Meacham for an 11-day rain delay. The Board determined that Change Order Nos. 3 and 4 are beneficial to the District.

Following review and discussion, Director Strong moved to (1) approve KGA'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 KGA's recommendation. 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.

The Board discussed the condition of the detention and drainage facilities maintained by the homeowner's association. Following discussion, Director Morrow moved to authorize ABHR to send a letter to the homeowner's association for breach of contract, as discussed. Director Strong seconded the motion, which passed unanimously.

2024 DIRECTORS ELECTION

ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2024 BOARD OF DIRECTORS ELECTION PERIOD

Ms. Holoubek discussed procedures related to the 2024 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2024 Directors Election Period.

AUTHORIZE NOTICE OF DEADLINE TO FILE APPLICATIONS FOR PLACE ON THE BALLOT

Ms. Holoubek reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2024 Directors Election.

APPROVE CONTRACT FOR ELECTION SERVICES WITH WALLER COUNTY

Ms. Holoubek stated that the District may contract with Waller County to conduct the District's 2024 Directors Election.

CONSIDER USE OF ELECTRONIC VOTING SYSTEM AND AUTHORIZE NOTICE OF EXEMPTION

Ms. Holoubek stated this agenda item is not necessary since Waller County can run the election for both the Waller County and Harris County portion, if necessary.

SET PAY FOR ELECTION OFFICIALS

Ms. Holoubek stated this agenda item is not necessary since Waller County can run the election for both the Waller County and Harris County portion, if necessary.

ADOPT ORDER CALLING DIRECTORS ELECTION

Ms. Holoubek discussed procedures related to the 2024 Directors Election. She reviewed an Order Calling Directors Election.

AUTHORIZE NOTICE OF ELECTION

Ms. Holoubek discussed that Notice of Election may be required to be posted or published and provided to the County Clerks and Voter Registrars of Harris and Waller Counties.

Following review and discussion, Director Strong moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board During the 2024 Directors Election Period appointing Merry Heyne as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required and direct that the Resolution be filed appropriately and retained in the District's official records; (2) ratify authorization for the Secretary's agent to post the Notice of Deadline, as required; (3) approve the contract with Waller County to administer the District's election; (4) adopt the Order Calling Directors Election; and (5) authorize the Secretary's agent to post or publish and provide to the County Clerks and Voter Registrars Notice of Election, if required. Director Morrow seconded the motion, which passed unanimously.

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

	<u>Minutes</u>
	<u>Page</u>
Security patrol report	1
Bookkeeper's report.....	2
Tax assessor/collector's report	3
Operator's report.....	3
Engineer's report.....	3
Kimley Horn's landscape architect report.....	4
KGA's landscaping report	5
Detention and drainage facilities report.....	5