

MINUTES  
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

December 14, 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 14th day of December, 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 were Shamar O'Bryant of Land Tejas Development Company; Andrew Dunn and Matthew Dunn of On-Site Protection LLC; Alex Stachow of McGrath & Co., PLLC; 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"); Dana Hollingsworth of Municipal District Services, LLC ("MDS"); Tracey Scott of Myrtle Cruz, Inc.; Lacy Hamilton of KGA DeForest Landscape Architecture ("KGA"); and Jessica Holoubek 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 November 16, 2023, regular meeting. After review and discussion, Director Simon moved to approve the meeting minutes. Director Strong seconded the motion, which passed by unanimous vote.

SECURITY SERVICES

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

SWPPP INSPECTION REPORT

There was no discussion on this agenda item.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines and the Association of Water Board Directors winter conference.

Following review and discussion, Director Leighton moved to authorize the directors attending the winter conference to receive up to three per diems, two nights' hotel stay, and reimbursement for reasonable meals during the conference, submitted in accordance with the Travel Reimbursement Guidelines. Director Morrow seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

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 approve the bookkeeper's report and the checks presented for payment. 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 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.

After review and discussion, Director Simon moved to (1) approve the operator's report; and (2) authorize deferring termination of delinquent accounts, as discussed, due to the holidays. 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 34. He recommended approval of Pay Estimate No. 4 and Final in the amount of \$37,005.20 for the water, sanitary sewer, and drainage portion, payable to Trans-Tex Construction, and final acceptance of the project. He also recommended approval of Pay Estimate No. 4 and Final in the amount of \$18,170.27 for the paving portion, payable to Allgood Construction, and final acceptance of the project.

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

SERIES 2023 BOND ANTICIPATION NOTE MATTERS

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S BOND ANTICIPATION NOTE

Mr. Eustis presented one bid for the District's \$1,980,000 Bond Anticipation Note, Series 2023 (the "BAN"), and reported that the bidder was Amegy Bank with a total interest rate of 5.630%. He recommended awarding the BAN to Amegy Bank.

The Board next considered adopting a Resolution Authorizing the Issuance of the District's BAN. Ms. Holoubek reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the BAN, the payment of the BAN from a future bond issue by the District, and certain District covenants regarding the tax-exempt status of the BAN.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S BOND ANTICIPATION NOTE

Mr. Eustis explained that there will be various documents related to the issuance of the BAN requiring execution by the directors prior to closing. He

requested that the Board authorize the President and Secretary to execute documents necessary in connection with the transaction.

AUTHORIZE EXECUTION OF PURCHASERS' INVESTMENT AND BID LETTER

The Board considered authorizing execution of the Purchasers' Investment and Bid Letter by Amegy Bank and various certificates and documents related to the issuance of the BAN.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Holoubek presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate").

After review and discussion, Director Morrow moved to (1) award the BAN to Amegy Bank; (2) adopt the Resolution Authorizing the Issuance of the District's BAN; (3) authorize execution of documents related to the issuance of the BAN; (4) authorize execution of the Purchasers' Investment and Bid Letter by Amegy Bank and various certificates and documents related to the issuance of the BAN; and (5) authorize execution of the Certificate 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.

DEVELOPER REIMBURSEMENT REPORT AND DEVELOPER RECEIPTS AND AUTHORIZE DISBURSEMENT OF BAN PROCEEDS

Mr. Stachow reviewed a report of the amount reimbursable by the District to Astro Sunterra LP ("Astro Sunterra"), HMH Sunterra Land, LLC ("HMH Sunterra"), and ONML Villas at Sunterra, LLC ("ONML Villas") from the BAN. The Board considered approving the Receipts to be executed by Astro Sunterra, HMH Sunterra, and ONML Villas evidencing the receipt of reimbursement from the proceeds of the BAN for funds earlier advanced to the District and considered authorizing the disbursement of said funds to Astro Sunterra, HMH Sunterra, and ONML Villas. After discussion, Director Morrow moved to (1) approve the developer reimbursement report; (2) approve the Receipts to be executed by Astro Sunterra, HMH Sunterra, and ONML Villas; and (3) authorize reimbursement to Astro Sunterra, HMH Sunterra, and ONML Villas from the proceeds of the BAN upon funding of the BAN and contingent upon receipt of the executed receipts when funded on December 21, 2023. Director Strong seconded the motion, which carried unanimously.

SERIES 2023 PARK BOND ANTICIPATION NOTE MATTERS

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S PARK BOND ANTICIPATION NOTE

Mr. Eustis presented one bid for the District's \$4,335,000 Park Bond Anticipation Note, Series 2023 (the "Park BAN"), and reported that the bidder was Amegy Bank with a total interest rate of 5.630%. He recommended awarding the Park BAN to Amegy Bank.

The Board next considered adopting a Resolution Authorizing the Issuance of the District's Park BAN. Ms. Holoubek reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the Park BAN, the payment of the Park BAN from a future bond issue by the District, and certain District covenants regarding the tax-exempt status of the Park BAN.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S PARK BOND ANTICIPATION NOTE

Mr. Eustis explained that there will be various documents related to the issuance of the Park BAN requiring execution by the directors prior to closing. He requested that the Board authorize the President and Secretary to execute documents necessary in connection with the transaction.

AUTHORIZE EXECUTION OF PURCHASERS' INVESTMENT AND BID LETTER

The Board considered authorizing execution of the Purchasers' Investment and Bid Letter by Amegy Bank and various certificates and documents related to the issuance of the Park BAN.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Holoubek presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate").

After review and discussion, Director Morrow moved to (1) award the Park BAN to Amegy Bank; (2) adopt the Resolution Authorizing the Issuance of the District's Park BAN; (3) authorize execution of documents related to the issuance of the Park BAN; (4) authorize execution of the Purchasers' Investment and Bid Letter by Amegy Bank and various certificates and documents related to the issuance of the Park BAN; and (5) authorize execution of the Certificate 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.

DEVELOPER REIMBURSEMENT REPORT AND DEVELOPER RECEIPTS AND  
AUTHORIZE DISBURSEMENT OF PARK BAN PROCEEDS

Mr. Stachow reviewed a report of the amount reimbursable by the District to Astro Sunterra LP ("Astro Sunterra") and Pulte Homes of Texas, L.P. ("Pulte Homes") from the BAN. The Board considered approving the Receipts to be executed by Astro Sunterra and Pulte Homes evidencing the receipt of reimbursement from the proceeds of the Park BAN for funds earlier advanced to the District and considered authorizing the disbursement of said funds to Astro Sunterra and Pulte Homes. After discussion, Director Morrow moved to (1) approve the developer reimbursement report, subject to ABHR final review; (2) approve the Receipts to be executed by Astro Sunterra and Pulte Homes; and (3) authorize reimbursement to Astro Sunterra and Pulte Homes from the proceeds of the Park BAN upon funding of the BAN and contingent upon receipt of the executed receipts when funded on December 21, 2023. Director Strong seconded the motion, which carried unanimously.

PARK AND RECREATIONAL FACILITIES MATTERS

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. 5 in the amount of \$174,733.57, submitted by DL Meacham. She also recommended approval of Change Order No. 3 to the contract with DL Meacham for a 4-day rain delay. The Board determined that Change Order No. 3 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. 2 in the amount of \$532,164.15, submitted by DL Meacham. Ms. Hamilton recommended approval of Change Order No. 1 to the contract with DL Meacham to increase the contract in the amount of \$494,226.00. She also recommended approval of Change Order No. 2 to the contract with DL Meacham for a 4-day rain delay. The Board determined that Change Order Nos. 1 and 2 are beneficial to the District.

Following review and discussion, Director Leighton 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.

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)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Security patrol report .....	1
Bookkeeper's report.....	2
Tax assessor/collector's report .....	2
Operator's report.....	2
Engineer's report.....	3
KGA's landscaping report .....	6
Detention and drainage facilities report.....	7