

MINUTES
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

April 18, 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 18th day of April, 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:

Richard Jenks	President
Chelsea Taylor	Vice President
Olga M. Strong	Secretary
Wes Simon	Assistant Vice President
Cindy Morrow	Assistant Secretary

and all of the above were present except Director Taylor, thus constituting a quorum.

Also attending the meeting were Shamar O'Bryant of Land Tejas Development Company; Stephen Eustis of Robert W. Baird & Co. Incorporated; Erik Scott of Champions Hydro-lawn, Inc. ("Champions"); Patty Rodriguez of Bob Leared Interests; Blair Bozoarth of Quiddity Engineering, LLC ("Quiddity"); Dana Hollingsworth of Municipal District Services, LLC ("MDS"); Tracey Scott and Vanessa Martinez of Myrtle Cruz, Inc. ("Myrtle Cruz"); David Daughtry of Kimley-Horn & Associates, Inc. ("Kimley-Horn"); Don Sabrasula, a member of the public; and Jessica Holoubek 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

Mr. Sabrasula introduced himself to the Board and stated that he is the Assistant Minister at Go Church. He informed the Board that Go Church recently purchased approximately 5 acres of land across from Sunterra and is requesting water tie-in to the District. Discussion ensued.

APPROVE MINUTES

The Board considered approving the minutes of the March 21, 2024, regular meeting. After review and discussion, Director Morrow moved to approve the meeting minutes. Director Simon seconded the motion, which passed by unanimous vote.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END APRIL 30, 2024

The Board reviewed a letter from McGrath & Co., PLLC (“McGrath”) to conduct the District’s audit for fiscal year end April 30, 2024. It was noted that an evergreen audit engagement letter from McGrath was previously approved. Ms. Holoubek stated the estimated cost of the audit is \$15,000.00.

Following discussion, Director Jenks moved to authorize McGrath to conduct the District’s audit for fiscal year end April 30, 2024. Director Morrow seconded the motion, which passed unanimously.

SECURITY SERVICES

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

FINANCIAL AND BOOKKEEPING MATTERS; ADOPT BUDGET FOR FISCAL YEAR END APRIL 30, 2025

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. She also presented and reviewed the budget for fiscal year end April 30, 2025, a copy of which is attached to the bookkeeper’s report.

Ms. Scott discussed adding positive pay to the District’s accounts with Central Bank which will assist with detecting fraud.

After review and discussion, Director Morrow moved to (1) approve the bookkeeper’s report and the checks presented for payment; (2) adopt the District’s budget for fiscal year end April 30, 2025, as revised; and (3) authorize Myrtle Cruz to add positive pay to the District’s Central Bank accounts. Director Simon seconded the motion, which passed unanimously.

RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUES

Mr. Eustis reported that he is recommending that the Board request an appraisal of property and certificate of estimated appraised value for the District as of May 1, 2024.

After review and discussion, Director Simon moved to adopt a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and direct that the Resolution be filed appropriately and retained in the District’s official records. Director Morrow 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.

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. The Board discussed the outstanding balance owed by Pulte Homes.

Ms. Hollingsworth requested authorization to write off one uncollectible account totaling \$303.70 and send it to the collection agency. The Board discussed the large balance owed by Pulte Homes.

After review and discussion, Director Jenks 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; (3) authorize MDS to write off one uncollectible account totaling \$303.70 and send it to the collection agency; and (4) withhold taps from Pulte Homes until their delinquent accounts have been paid. Director Morrow seconded the motion, which passed unanimously.

ANNUAL REVIEW OF IDENTITY THEFT PREVENTION PROGRAM

Ms. Hollingsworth stated that the District's Identity Theft Prevention Program (the "Program") requires MDS to provide an annual written report evaluating the effectiveness of the Program, significant instances of identity theft detection, and any recommendations regarding changes to the Program. Ms. Hollingsworth reviewed the annual report on the District's Program, a copy of which is included in the operator's report. She stated that the procedures have been implemented, and that MDS is not recommending any changes to the Program at this time.

ENGINEERING MATTERS; DEEDS, EASEMENTS, ENCROACHMENT AGREEMENTS, WAIVERS OF SPECIAL APPRAISAL, AND PLAT MATTERS; REVIEW EMERGENCY PREPAREDNESS PLAN AND AUTHORIZE FILING OF UPDATES

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 Lift Station No. 1. He recommended approval of Pay Estimate No. 17 and Final in the amount of \$42,280.60, payable to ZeusCon, LLC ("ZeusCon"), and acceptance of the project. He also recommended approval of Change Order No. 8 to the contract with ZeusCon to decrease the contract in the amount of -\$5,466.00. The Board determined that Change Order No. 8 is beneficial to the District.

Mr. Bozoarth presented and reviewed a proposal from Quiddity to prepare Road Bond No. 2 in the amount of \$20,500.00.

Mr. Bozoarth discussed the Emergency Preparedness Plan ("EPP") with Quadvest, LP ("Quadvest") and requirements to file any updates with the Texas Commission on Environmental Quality ("TCEQ").

After review and discussion as recommended by the engineer, Director Strong 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; (4) approve the proposal from Quiddity, as discussed; and (5) authorize Quiddity to submit the EPP to the TCEQ. Director Morrow seconded the motion, which passed 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. 9 in the amount of \$88,399.55, submitted by DL Meacham. She also recommended approval of Change Order Nos. 5 and 6 to the contract with DL Meacham for a 5-day rain delay and an increase to the contract with DL Meacham in the amount of \$2,500.00, respectively. The Board determined that Change Order Nos. 5 and 6 are 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. 6 in the amount of \$439,935.50, submitted by DL Meacham.

Following review and discussion, Director Simon 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.

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

Mr. Daughtry updated the Board on Section 21 Hardscape, Landscape and Irrigation. He reviewed and recommended approval of Pay Estimate No. 9 in the amount of \$28,314.40, 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 No. 11 in the amount of \$87,771.38, submitted by HLU Services, Inc. ("HLU Services"). He also recommended approval of Change Order No. 3 to the contract with HLU Services to decrease the contract in the amount of -\$20,400.00. The Board determined that Change Order No. 3 is beneficial to the District.

Mr. Daughtry updated the Board on Section 34 Hardscape, Landscape and Irrigation. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$17,407.80, submitted by All Star Landscaping. He also recommended approval of Change Order No. 3 to the contract with All Star Landscaping to increase the contract in the amount of \$10,205.00. 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 Strong 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)



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