

MINUTES
HARRIS-WALLER COUNTIES MUNICIPAL UTILITY DISTRICT NO. 5

July 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 July, 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 Directors Strong and Taylor, thus constituting a quorum.

Also attending the meeting were Alex Stachow of McGrath & Co., PLLC ("McGrath"); Shamar O'Bryant of Land Tejas Development Company; Stephen Eustis of Robert W. Baird & Co. Incorporated; 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. ("Myrtle Cruz"); 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 June 20, 2024, regular meeting. After review and discussion, Director Morrow moved to approve the meeting minutes, as presented. Director Simon seconded the motion, which passed by unanimous vote.

APPROVE AUDIT FOR FISCAL YEAR END APRIL 30, 2024

Mr. Stachow presented and reviewed the District's audit for fiscal year end April 30, 2024. After review and discussion, Director Simon moved to approve the audit, subject to receipt of consultant comments and finalization, authorize filing of the audit with the Texas Commission on Environmental Quality ("TCEQ"), and direct that the

audit be filed appropriately and retained in the District's official records. 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

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 Simon moved to approve the bookkeeper's report and the checks presented for payment. Director Jenks 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 Jenks seconded the motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

Ms. Holoubek discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49, Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2024 tax year.

Following review and discussion, Director Morrow moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing District for the 2024 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Jenks 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 discussed Hurricane Beryl and the effects on the District.

There were no terminations this month due to Hurricane Beryl.

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 Sunterra Lift Station No. 1 Landscape punch items. He recommended the Board approve payment in the amount of \$820.00 to Semarck Landscape Services Inc. ("Semarck") for grading along the Lift Station No. 1 fence, as discussed.

After review and discussion as recommended by the engineer, Director Jenks moved to (1) approve the engineer's report; and (2) approve payment to Semarck for Sunterra Lift Station No. 1 Landscape punch items. Director Simon seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX BONDS

Mr. Eustis presented and reviewed a Preliminary Official Statement for the District's \$3,700,000 Unlimited Tax Bonds, Series 2024 (the "Series 2024 Bonds").

Mr. Eustis recommended approving the Paying Agent/Registrar for the Series 2024 Bonds.

The Board discussed authorizing advertisement for the sale of the Bonds and scheduling the Bond sale.

The Board discussed engaging McGrath to prepare the reimbursement report for the District's Series 2024 Bonds.

After review and discussion, Director Morrow moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to ABHR and consultant comments; (2) appoint BOKF, NA as the Paying Agent/Registrar for the Series 2024 Bonds; (3) authorize the advertisement for the sale of the Bonds and schedule the Bond sale for August 29, 2024; and (4) authorize McGrath to prepare the

reimbursement report for the Series 2024 Bonds. Director Jenks seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX ROAD BONDS

Mr. Eustis presented and reviewed a Preliminary Official Statement for the District's \$10,035,000 Unlimited Tax Road Bonds, Series 2024 (the "Series 2024 Road Bonds").

Mr. Eustis recommended approving the Paying Agent/Registrar for the Series 2024 Road Bonds.

The Board discussed authorizing advertisement for the sale of the Road Bonds and scheduling the Road Bond sale.

The Board discussed engaging McGrath & Co., PLLC ("McGrath") to prepare the reimbursement report for the District's Series 2024 Road Bonds.

After review and discussion, Director Morrow moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to ABHR and consultant comments; (2) appoint BOKF, NA as the Paying Agent/Registrar for the Series 2024 Road Bonds; (3) authorize the advertisement for the sale of the Road Bonds and schedule the Road Bond sale for August 29, 2024; and (4) authorize McGrath to prepare the reimbursement report for the Series 2024 Road Bonds. Director Jenks seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX PARK BONDS

Mr. Eustis presented and reviewed a Preliminary Official Statement for the District's \$9,300,000 Unlimited Tax Park Bonds, Series 2024 (the "Series 2024 Park Bonds").

Mr. Eustis recommended approving the Paying Agent/Registrar for the Series 2024 Park Bonds.

The Board discussed authorizing advertisement for the sale of the Park Bonds and scheduling the Park Bond sale.

The Board discussed engaging McGrath to prepare the reimbursement report for the District's Series 2024 Park Bonds.

After review and discussion, Director Morrow moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to ABHR and consultant comments; (2) appoint BOKF, NA as the Paying Agent/Registrar for the Series 2024 Park Bonds; (3) authorize the advertisement for the sale of the Park Bonds and schedule the Park Bond sale for August 29, 2024; and (4) authorize McGrath to

prepare the reimbursement report for the Series 2024 Park Bonds. Director Jenks seconded the motion, which passed unanimously.

PARK AND RECREATIONAL FACILITIES MATTERS

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 Nos. 12 and 13 and Final in the amounts of \$810.00 and \$101,794.16, respectively, submitted by DL Meacham, that was recommended for approval by KGA, and acceptance of the project, as recommended by KGA. Ms. Holoubek, also on behalf of KGA, reviewed Change Order No. 8 to the contract with DL Meacham to decrease to the contract in the amount of -\$900.00. The Board determined that Change Order No. 8 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. 9 in the amount of \$151,795.01, submitted by DL Meacham, that was recommended for approval by KGA.

Following review and discussion, Director Morrow moved to (1) approve KGA's report; (2) approve the Pay Estimates, as presented, and accept the completed project; 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 Simon seconded the motion, which passed unanimously.

DETENTION AND DRAINAGE FACILITIES

Ms. Holoubek informed the Board that the new landscape maintenance company for Sunterra is First Environment Erosion Controls, Inc. Discussion ensued.


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.

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Security patrol report	2
Bookkeeper's report.....	2
Tax assessor/collector's report	2
Operator's report.....	3
Engineer's report.....	3
KGA's landscaping report	5