

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

September 14, 2023

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY COUNTY §

EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 5 §

The Board of Directors (the "Board") of East Montgomery County Municipal Utility District No. 5 (the "District") met in special session open to the public, at 11:00 a.m., on Wednesday, September 14, 2023, at 9 Greenway Plaza, Suite 1000, Houston, Texas 77046, a designated meeting place outside the boundaries of the District; and by telephone conference; whereupon, the roll was called of the members of the Board of Directors, to-wit:

John Patterson	-	President
L.J. (Larry) Kijewski	-	Vice President
B. Layne Mashburn	-	Secretary
Charles L. Prause	-	Assistant Secretary
Vacant	-	Assistant Secretary

All members of the Board of Directors were in attendance, except Director Kijewski, thus constituting a quorum.

Also in attendance were Constable Demetri Jasonis of Roman Forest Police Department; Dillon Fulvio of Stuckey's; Justin Graham of LJA Engineering, Inc., Engineer for the District; Melony Hall of Assessments of the Southwest, Tax Assessor-Collector for the District; Jacob Williams of H2O Innovation, Operators for the District; Debra Loggins of L&S District Services, LLC, Bookkeeper for the District; Jennifer Hanna of FORVIS, LLP, Auditor for the District; David Smalling of Robert W. Baird & Co., Financial Advisor for the District; and Mallory Craig, attorney, and Monica Britton, paralegal, of Coats|Rose, P.C. ("Coats|Rose"), the District's legal counsel.

Whereupon, the meeting was called to order at 11:00 a.m. Copies of the notices of the meeting are attached hereto as Exhibit "A".

**HEAR FROM THE PUBLIC**

No members of the public were present.

**HEAR ROMAN FOREST POLICE DEPARTMENT REPORT**

The Board recognized Officer Jasonis who presented the Roman Forest Police Department Report, a copy of which is attached hereto as Exhibit "B". No action was taken.

**APPROVE MINUTES OF THE MEETING**

The Board considered approving the minutes of the meeting held on June 28, 2023, which were previously distributed to the Board. After discussion and consideration, upon a motion made by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve the minutes of the June 28, 2023 meeting as presented.

**RECEIVE, REVIEW AND CONSIDER APPROVING DRAFT FINANCIAL AUDIT FOR FISCAL YEAR END MAY 31, 2023**

The Board recognized Ms. Hanna who presented a draft Fiscal Year End May 31, 2023 Audit for the Board's review, a copy of which is attached hereto as Exhibit "C".

Upon a motion by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve the draft Fiscal Year End May 31, 2023 Audit, subject to final review and comments.

**HEAR FINANCIAL ADVISOR'S REPORT**

The Board recognized Mr. Smalling who presented the Financial Advisor's Report.

**Receive and approve 2023 Master District Contract Tax Allocation**

Mr. Smalling presented and discussed the Financial Advisor's 2023 Master District Contract Tax Allocation for the Board's review, a copy of which is attached hereto as Exhibit "D".

Upon a motion by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve the 2023 Master District Contract Tax Allocation.

Approve Resolution on Development Status of the District under Texas Water Code, Section 49.23602

Ms. Craig presented a Resolution Declaring Development Status of District for 2023 Tax Year (the "Resolution"), a copy of which is attached hereto as Exhibit "E". She advised the Board that the development status of a district dictates how its voter approval rate is calculated. The voter approval rate will be published with the Notice of Tax Hearing. Ms. Craig explained based on analysis provided by the District's Engineer, that the District is not a "developed district" as defined by Section 49.23602 of the Texas Water Code as it has not financed, completed, or issued bonds to pay for all land, work improvements, facilities, plants, equipment, and appliances necessary to serve at least 95 percent of the projected build-out of the District. Ms. Craig recommended the District proceed with adopting the 2023 tax rate as a "developing" district pursuant to Texas Water Code, Section 49.23603.

Upon a motion by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve the Resolution.

Discuss 2023 tax rate

Mr. Smalling presented the Financial Advisor's tax rate recommendation of \$1.30 per \$100 of assessed valuation composed of a maintenance tax rate of \$0.84 per \$100 of assessed valuation and a contract tax rate of \$0.46 per \$100 of assessed valuation, a copy of which is attached hereto as Exhibit "F".

Upon a motion by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve (i) the tax rate recommendation of \$1.30 per \$100 of assessed valuation composed of a maintenance tax rate of \$0.84 per \$100 of assessed valuation and a contract tax rate of \$0.46 per \$100 of assessed valuation, (ii) setting a hearing on the 2023 tax rate for the District's next meeting on September 27, 2023 at 1:00 p.m., (iii) a publication of the Notice of Tax Hearing in a newspaper of general circulation.

Approve Order Adopting Official Notice of Sale and Preliminary Official Statement

Mr. Smalling next presented to the Board the Preliminary Official Statement ("POS") and Official Notice of Sale for the District's Unlimited Tax Contract Revenue Bonds, Series 2023, copies of which are attached hereto as Exhibit "G". He discussed the timeline for closing the sale of the Bonds and reviewed the process for advertising the sale of the Bonds. Mr. Smalling reviewed the contents of the POS with the Board. He stated that the POS is the disclosure document which informs any potential purchaser of the Bonds, of the risks associated with the purchase along with other information regarding the District. Mr. Smalling stated the copies of the POS will be provided to all prospective purchasers of the Bonds.

Upon a motion by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve (i) an Order Adopting Official Notice of Sale and Bid Form (the "Order"); (ii) authorize distribution of the Official Notice of Sale and Bid Form; (iii) authorize the distribution of the Preliminary Official Statement, subject to any final changes being made by the District's directors and consultants; (iv) authorize the publication of the Notice of Sale of the Bonds; and (v) authorize consultants to proceed in preparing documents and to take any necessary actions related to the District's Series 2023 Unlimited Tax Contract Revenue Bonds.

## **BOOKKEEPER'S REPORT**

The Board recognized Ms. Loggins who presented the Bookkeeper's Report for the Board's review and approval along with certain checks for payment, a copy of which is attached hereto as Exhibit "H".

### **Adopt internal District budget for fiscal year end May 31, 2024**

Next, Ms. Loggins presented a draft internal budget for fiscal year end May 31, 2024 for the Board's review and consideration, a copy of which is included in the Bookkeeper's Report.

### **Approve and authorize true-up report for Master District Operating Monthly Payments**

Ms. Loggins next asked the Board to approve and authorize the true-up report for Master District Operating Monthly Payments from East Montgomery County Municipal Utility District No. 6 ("MUD 6") and East Montgomery County Municipal Utility District No. 7 ("MUD 7").

### **Consider approving Amended Bookkeeper Agreement**

Next, Ms. Loggins next presented an Amended Bookkeeper Agreement for the Board's review and consideration. She stated that the agreement must be amended to reflect fees associated with the separation of the Internal and Master District bookkeeping services.

Upon a motion brought by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to (i) approve the Bookkeeper's Report and payment of District bills, (ii) adopt the internal District budget for fiscal year end May 31, 2024, (iii) approve and authorize true-up report for Master District Operating Monthly Payments from MUD 6 and MUD 7, and (iv) approve the Amended Bookkeeper Agreement.

## **HEAR TAX ASSESSOR-COLLECTOR'S REPORT**

The Board recognized Ms. Hall who reviewed and presented the Tax Assessor-Collector's Report, a copy of which is attached hereto as Exhibit "I".

Upon a motion by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve the Tax Assessor-Collector's Report and payment of the bills listed therein.

### **HEAR OPERATOR'S REPORT**

The Board recognized Mr. Williams who presented and reviewed the Operator's Reports for the months of May and June, copies of which are attached hereto as Exhibit "J".

#### **Discuss Drought Contingency Plan**

The Board next discussed the District's Drought Contingency Plan. Mr. Williams informed the Board that District must trigger Stage 2 (Moderate Drought) of its Drought Contingency Plan due to climate and weather conditions and asked the Board's approval to proceed with triggering Stage 2 of the District's Drought Contingency Plan.

Upon a motion by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve (i) the Operator's Report as presented and the action items listed therein and (ii) triggering Stage 2 of the District's Drought Contingency Plan.

### **HEAR ENGINEER'S REPORT**

The Board recognized Mr. Graham who presented the Engineer's Report, a copy of which is attached hereto as Exhibit "K".

Mr. Graham next asked the Board's consideration and approval to authorize Wet Rock Groundwater Services to proceed with a hydrogeological report required by Lone Star Ground Conservation District for increased allocation in relation to the District's underground water level.

After review and discussion, upon a motion by Director Mashburn, seconded by Director Patterson, the Board voted unanimously to approve (i) the Engineering Report and the action

items listed therein and (ii) the hydrogeological report required by Lone Star Ground Conservation District.

#### **HEAR DETENTION/DRAINAGE MAINTENANCE REPORT**

The Board recognized Mr. Fulvio who presented and reviewed the Stuckey's Report, a copy of which is attached hereto as Exhibit "L". Mr. Fulvio provided updates on maintenance in the District. No action was taken.

#### **HEAR DEVELOPER'S REPORT**

The Board recognized Mr. Espinoza who provided updates on development in the District. No action was taken.

#### **ATTORNEY'S REPORT**

The Board next recognized Ms. Craig who presented the Attorney's Report.

##### **Adopt Policy regarding Public Comments**

Ms. Craig next presented a Resolution Adopting Policy Regarding Public Comment at Meetings of the Board of Directors, a copy of which is attached hereto as Exhibit "M". Ms. Craig stated that the Board of Directors has determined that in order to conduct the business appearing on the agenda for regular and special meetings in a timely and expeditious manner, it is necessary to adopt a policy regarding comments from members of the public.

##### **Approve Amended Notice to Sellers and Purchasers**

Ms. Craig then presented an Amended Notice to Sellers and Purchasers of Real Estate Situated in the District ("Notice") for the Board's consideration and approval, a copy of which is attached hereto as Exhibit "N". Ms. Craig advised that the notice required to be amended to reflect a new form of the notice prescribed by law. Further, she noted that said Notice provides important information to purchasers about the District including the District's tax rate, the amount of bonds voted and issued, and the boundaries of the District.

Renew District Insurance

The Board next discussed the renewal proposal from McDonald Wessendorff to renew the District's Insurance, a copy of which is attached hereto as Exhibit "O".

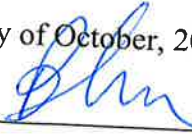
Upon a motion by Director Patterson, seconded by Director Mashburn, the Board voted unanimously to approve (i) the Resolution Adopting Policy Regarding Public Comment at Meetings of Board of Directors, (ii) the Amended Notice to Sellers and Purchasers, and (iii) renewal of the District's Insurance.

There being no further business to come before the Board, upon a motion duly made and seconded, the meeting was adjourned.

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PASSED, APPROVED AND ADOPTED, this 25th day of October, 2023.



Secretary, Board of Directors

(DISTRICT SEAL)