

MINUTES OF MEETING
OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 53
OF HARRIS COUNTY, TEXAS

January 10, 2023

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 53 (the "District") of Harris County, Texas, met in regular session, open to the public, on the 10th day of January, 2023, at a designated meeting place outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Judy Grant	President
Andre Bradley	Vice President
Drew Fontenette	Secretary/Treasurer
Kristine Johnstone	Assistant Vice President
Peter Mitchell	Assistant Secretary/Treasurer

and all of the said persons were present, thus constituting a quorum.

Also attending the meeting were Billy Allen and Pat Gray of Harris County Fresh Water Supply District No. 51 ("FWSD No. 51"); Jaime Salinas of Huitt-Zollars, Inc.; Darrell Hawthorne of Municipal Accounts & Consulting, L.P. ("Municipal Accounts"); Brenda McLaughlin of Bob Leared Interests; and P. John Kuhl, Jr., and Audrey Lyons of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw").

President Grant noted that a quorum was present and called the meeting to order.

APPROVE MINUTES

The Board first considered approving the minutes of the December 13, 2022, meeting. Upon motion by Director Fontenette, seconded by Director Bradley, and after full discussion, the Board voted unanimously to approve the minutes as presented, and to authorize execution by the Secretary/Treasurer, and if necessary, to authorize the use of facsimile, electronic, or other appropriate signatures.

RECEIVE COMMENTS OR QUESTIONS FROM THE PUBLIC

The next item on the agenda was to receive comments or questions from the public. There were no comments or questions from the public.

BOOKKEEPING REPORT

Review Account and Fund Activity Statements, Budget Comparison, and Investment Transactions

Mr. Hawthorne reviewed with the Board the Bookkeeping Report and answered questions.

Mr. Kuhl and Mr. Hawthorne discussed the need for amending the budget to address ROW revenue and other matters. Mr. Kuhl noted that an agenda item to accomplish that will appear on a future agenda.

Upon motion by Director Fontenette, seconded by Director Johnstone, and after review and full discussion of the bills and corresponding checks, the Board voted unanimously to approve the Bookkeeping Report, and to pay the bills as presented.

Mr. Hawthorne exited the meeting.

TAX ASSESSOR/COLLECTOR REPORT

Review Tax Receipt and Disbursement Statements

The Board then received the Tax Assessor/Collector's Report. Ms. McLaughlin reviewed with the Board the tax report, advising that approximately 98.551% of the 2021 taxes, and 62.5% of the 2022 taxes have been collected.

Upon motion by Director Mitchell, seconded by Director Bradley, and after full discussion, the Board voted unanimously to approve the Tax Assessor/Collector Report, and to pay the tax bills as presented.

Confirm Employment of Delinquent Tax Attorney

The next item on the agenda was to confirm employment of the Delinquent Tax Attorney. Mr. Kuhl advised that the District has an existing contract with Perdue Brandon Fielder Collins & Mott, LLP ("Perdue Brandon") for collection of delinquent taxes. Upon motion by Director Mitchell, seconded by Director Johnstone, and after full discussion, the Board voted unanimously to re-confirm employment of Perdue Brandon to collect delinquent real property taxes effective July 1, 2023, and personal property taxes effective February 1, 2023, at the penalty rate of 20%.

Adopt Order Providing for Additional Penalty for Tax Collection Costs

The next item on the agenda was to consider adoption of a proposed Order Providing for Additional Penalty for Tax Collection Costs [GO 2023-1]. Mr. Kuhl reviewed with the Board the Order, which implements such penalties, including an additional penalty of 20% on real property taxes remaining delinquent on July 1, 2023, and personal property taxes remaining delinquent on April 1, 2023.

Upon motion by Director Mitchell, seconded by Director Johnstone, and after full discussion, the Board voted unanimously to adopt the Order Providing for Additional Penalty for Tax Collection Costs [GO 2023-1], and to authorize execution by the President and Secretary/Treasurer, and if necessary, to authorize the use of facsimile, electronic, or other appropriate signatures.

Adopt Order Concerning Tax Collection Procedures

The Board next considered adoption of a proposed Order Concerning Tax Collection Procedures [GO 2023-2]. Mr. Kuhl reviewed with the Board the Order, which rejects the tax collection procedures provided by the Property Tax Code permitting the withholding of a tax bill under \$15 (except upon written request of a property owner), the split payment of taxes, and the discount for early payment.

Upon motion by Director Mitchell, seconded by Director Johnstone, and after full discussion, the Board voted unanimously to adopt the Order Concerning Tax Collection Procedures [GO 2023-2], and to authorize execution by the President and Secretary/Treasurer, and if necessary, to authorize the use of facsimile, electronic, or other appropriate signatures.

Adopt Order Concerning Exemptions from Taxation

The Board next considered adoption of a proposed Order Concerning Exemptions from Taxation [GO 2023-3]. Mr. Kuhl advised that the Board has previously granted a \$10,000 homestead exemption for disabled persons or persons over sixty-five years of age. He further advised that the Board may

consider the exemption of qualified charitable organizations, as authorized by Section 11.184 of the Tax Code.

Upon motion by Director Mitchell, seconded by Director Johnstone, and after full discussion, the Board voted unanimously to adopt the Order Concerning Exemptions from Taxation [GO 2022-3], providing the following: 1) that no general residential homestead exemption be granted; 2) that a \$10,000 homestead exemption for disabled persons or persons over sixty-five years of age be granted; and 3) that qualified charitable organizations described in Section 11.184 of the Tax Code not be exempted, and to authorize execution by the President and Secretary/Treasurer, and if necessary, to authorize the use of facsimile, electronic, or other appropriate signatures.

CONFIRMATION OR RATIFICATION PERTAINING TO COVID-19 PANDEMIC EMERGENCY ACTION

The Board next considered confirmation or ratification pertaining to COVID-19 pandemic emergency action. Mr. Kuhl advised that there were no emergency actions required since the last meeting, and that no Board action is necessary at this time.

ENGINEERING REPORT

The Board next reviewed the Engineering Report.

Review General Report

Mr. Salinas reviewed the usage report, noting a relatively low percentage because of the timeframe and other non-water related issues. He advised that the water accountability for December was approximately 77%, putting the annual at 88%. He advised that the low number for this month likely will reset upwards in the next month.

Sanitary sewer cleaning and televising [Sterling Green South, Phase 2]

Mr. Salinas reviewed progress on the Phase 2 sanitary sewer cleaning and televising in Sterling Green South. He advised that work is ongoing.

Sidewalk replacement project – Phase 3

Mr. Salinas then reviewed progress of the Phase 3 sidewalk replacement project. He advised that the contract has been sent to the contractor for execution and will be forwarded to the District's attorney for performance and bond payment review.

Tenderden Lift Station

Mr. Salinas also discussed the proposed Tenderden Lift Station Rehabilitation needs and design progress to date.

Review CIP

Mr. Salinas advised that the CIP has been updated to reflect actual contractor costs.

Upon motion by Director Fontenette, seconded by Director Bradley, and after full discussion, the Board voted unanimously to approve the Engineering Report and updated CIP.

OPERATIONS & MAINTENANCE REPORT

The Board next received the Operations Report. Mr. Gray reviewed operations matters for the month, noting that the system functioned well during the recent freeze. President Grant expressed appreciation to the Operations team for its hard work during the freeze.

Extreme Weather Emergency Notice

Mr. Allen and Mr. Kuhl reviewed the new requirement for customer notice regarding payment plans and cut-offs during extreme weather emergencies. Mr. Allen advised that an appropriate notice will be included in the current billing cycle. Mr. Allen and Mr. Kuhl also discussed the need for possible related amendments to the District Rate Order.

Delinquent Utility Bills

Mr. Gray advised that customers appearing on the termination list were given proper notice and the opportunity to be heard in order to explain, contest, or correct the utility service bill and show reason why utility service should not be terminated for reason of nonpayment, all as required by the District's Rate Order. After discussion, Director Fontenette moved that since the customers were neither present at the meeting nor presented any written statement on the matter, that service be terminated, except customers denoted with an asterisk as those customers contacted the Operator to schedule payment. Director Bradley seconded the motion, which passed by unanimous vote.

Director Mitchell and Mr. Allen discussed procedures for identifying and acting on water system leaks and repairs.

RECEIVE DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Miller advised that the next major activity will be the spring overseed in April. He noted that the facilities are in good operating condition. He also advised that efforts continue to locate a replacement tree, as discussed in previous meetings.

Mr. Miller then reviewed a resident complaint about improper activity and waste accumulation at the Macclesby Lane intersection with the District's ponds. The Board discussed possible courses of action including contact with the Sonoma Ranch HOA. Mr. Salinas stated he would attempt to make such contact.

The Board took the detention and drainage facilities report under advisement.

REPORT ON NORTH CHANNEL WATER AUTHORITY

The next item on the agenda was to receive a report on the NCWA. Mr. Salinas reviewed with the Board a memorandum summarizing the NCWA meeting of December 12, 2022.

The Board took the NCWA report under advisement.

CONSIDER ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.



Secretary/Treasurer, Board of Directors