

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

April 9, 2024

THE STATE OF TEXAS §
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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 9th day of April, 2024, 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; Perry Miller of Champions Hydro-Lawn; Bear Oakley of Acclaim Energy; 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 March 12, 2024, 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.

President Grant advised that Mr. Oakley would present a proposal at this time. She advised that this item is set for deliberation under Agenda Item 7(c) and that the Board would consider it now.

Acclaim Energy Proposal

Mr. Oakley presented to the Board an Energy Management Agreement for Established Districts (the “Acclaim Agreement”). He stated the Acclaim Agreement will provide for enhanced management of electric power procurement, as well as additional option related services. He reviewed costs for the additional services. Upon motion by Director Bradley, seconded by Director Mitchell, and after full discussion, the Board voted unanimously to approve the Acclaim Agreement as presented and to authorize execution.

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.

Upon motion by Director Fontenette, seconded by Director Bradley, 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.

Review Budget

Mr. Hawthorne then reviewed with the Board a proposed budget for the fiscal year ending May 31, 2025, and answered questions. He advised a final budget will be presented to the Board for approval at the next meeting.

AUDIT AND REPORTING MATTERS

Appoint Audit Committee

The Board then considered the appointment of an Audit Committee in connection with the audit for the fiscal year ending May 31, 2024. Upon motion by Director Fontenette, seconded by Director Mitchell, and after full discussion, the Board voted unanimously to appoint Director Mitchell, Director Bradley, and the District's Bookkeeper to the Audit Committee.

Confirm employment of auditor

The next item on the agenda was to confirm employment of the auditor to conduct the audit of the District's financial statements for the fiscal year ending May 31, 2023. Mr. Kuhl reviewed with the Board a letter confirming the terms of the evergreen contract between the District and MGSB for preparation of the audit. Upon motion by Director Fontenette, seconded by Director Mitchell, and after full discussion, the Board voted unanimously to confirm the engagement of MGSB, as the auditor to again perform the audit for the fiscal year ending May 31, 2024.

Authorize Preparation and Filing of Official Statement Supplement

The next item on the agenda was to authorize preparation of the Annual Report in accordance with the District's Continuing Disclosure of Information Agreement and as referenced by Securities and Exchange Commission ("SEC") Rule 15c2-12. Mr. Kuhl advised that the SEC Rule requires the District to disclose certain financial and tax data in connection with the District's outstanding debt.

Upon motion by Director Fontenette, seconded by Director Mitchell, and after full discussion, the Board voted unanimously to authorize SKLaw to prepare and file the above-described report, which would allow the District to comply with SEC Rule 15c2-12.

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 95.6% of the 2023 taxes have been collected.

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

ENGINEERING REPORT

The Board next reviewed the Engineering Report.

Review General Report

Mr. Salinas first advised that water accountability for the month of March was approximately 84%, putting the annual at 91%.

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

Mr. Salinas then reviewed finalization matters for the Phase 2 sanitary sewer cleaning and televising in Sterling Green South. He advised that the contract remains open as review of the results continues.

Dell Dale Street sidewalk improvements

Mr. Salinas advised that the Harris County contractor is now approximately 90% complete. He noted 3 remaining manholes are on hold due to private utilities that require relocation. He advised that a balance-due invoice will be prepared once the project is complete.

Tenderden Lift Station Improvements

Mr. Salinas then reviewed with the Board a bid tabulation for the Tenderden Lift Station Improvements. He recommended that the Board award the contract to the low bidder, CFG Industries, LLC, in the amount of \$341,000.00. Upon motion by Director Bradley, seconded by Director Mitchell, and after full discussion, the Board voted unanimously to award the contract for the Tenderden Lift Station Improvements to CFG Industries, as recommended, subject to receipt of all government approvals and full and final execution of a related construction contract. The Board authorized Mr. Salinas to prepare the standard construction contract and further authorized the appropriate officers of the District to execute the contract on behalf of the District, after review of the insurance provisions by the District's attorney.

Adopt Resolution Regarding Use of Surplus Funds Without Further Approval by the Texas Commission on Environmental Quality

Mr. Kuhl reviewed with the Board a Resolution Regarding Use of Surplus Funds Without Further Approval by the Texas Commission on Environmental Quality [GR 2024-1]. He advised the Resolution will authorize use of all remaining surplus funds for a portion of the costs of the Tenderden lift station improvements. Upon motion by Director Fontenette, seconded by Director Bradley, and after full discussion, the Board voted unanimously to adopt the Resolution, subject to finalization by Mr. Kuhl and the Bookkeeper, and to authorize execution.

Review CIP

Mr. Salinas then discussed with the Board the current CIP budget and the status and development of projects. He noted that no changes to the CIP are needed at this time, and that he continues to review possible updates.

Request for Record Drawings

Mr. Salinas advised that he received a request for record drawings of District utilities along Dell Dale Street and Hidden Park Drive for the possible installation of traffic signals. The Board expressed no objection to releasing the requested information.

Upon motion by Director Fontenette, seconded by Director Bradley, and after full discussion, the Board voted unanimously to approve the Project & Engineering report.

OPERATIONS & MAINTENANCE REPORT

The Board next received the Operations Report. Mr. Gray reported on operations within the District, including repairs to District facilities during the preceding month. He advised that the District remains on an interconnect due to water tower maintenance and repairs. He advised that otherwise, all is well with respect to operations.

Upon motion by Director Fontenette, seconded by Director Bradley, and after full discussion, the Board voted unanimously to approve the Operations & Maintenance report.

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.

Adopt Order Evidencing Review of ID Theft Prevention Program

Mr. Kuhl reviewed with the Board a proposed Order Evidencing Review of Identity Theft Prevention Program [GO 2024-4]. Mr. Allen reviewed the annual report on the status of the Program, advising that no changes to the Program are recommended at this time. Upon motion by Director Fontenette, seconded by Director Mitchell, and after full discussion, the Board voted unanimously to adopt an Order Evidencing Review of Identity Theft Prevention Program [GO 2024-4], and to authorize execution by the President and Secretary/Treasurer, and if necessary, to authorize the use of facsimile, electronic, or other appropriate signatures.

Consumer Confidence Report

Mr. Allen noted that a copy of the 2023 CCR is included in the Board packet.

RECEIVE DETENTION AND DRAINAGE FACILITIES REPORT

The next item on the agenda was to receive the detention and drainage facilities report [Champions Hydro-Lawn]. Mr. Miller advised that the spring overseed has been completed. He noted that the pond site mowing was completed and that facilities are in good operating condition.

Mr. Miller then advised that the Black Rock Water Plant trees appear to be doing well. President Grant noted, however, that some of the new trees have developed brown spots. Mr. Miller advised that he will check on them, and continue to monitor.

Upon motion by Director Fontenette, seconded by Director Bradley, and after full discussion, the Board voted unanimously to approve the Detention and Drainage Facilities Report.

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 March 11, 2024.

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