

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

September 10, 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 10th day of September, 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. ("H-Z"); Darrell Hawthorne of Municipal Accounts & Consulting, L.P. ("Municipal Accounts"); Brenda McLaughlin of Bob Leared Interests; Perry Miller of Champions Hydro-Lawn; Suzanne Villarreal of McCall Gibson Swedlund Barfoot, PLLC ("MGSB"); Amy Lewis of Rathmann and Associates ("Rathmann"); 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 August 13, 2024, meeting. Upon motion by Director Fontenette, seconded by Director Johnstone, 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 covering the month of August, 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.

AUDIT AND REPORTING MATTERS

The Board then considered approving the audit of the District's financial statements for its fiscal year ended May 31, 2024. Ms. Villarreal submitted to and reviewed with the Board a draft of the audit and

answered questions. She commended the Board and consultants for the sound financial condition of the District.

Upon motion by Director Fontenette, seconded by Director Bradley, and after full discussion, the Board voted unanimously to approve the audit, subject to review by the Attorney, and to authorize filing of the audit upon completion with the TCEQ and in the offices of the District, as required by the Water Code.

Authorize Filing of Official Statement Supplement (Continuing Disclosure)

The next item on the agenda was to authorize filing of the Official Statement Supplement for the Series 2012 in compliance with Securities and Exchange Commission ("SEC") Rule 15c 2-12. Mr. Kuhl advised that the SEC Rule requires that the District update and disclose certain financial and tax data in connection with the District's outstanding debt. He advised that as the District's Series 2012 Bonds have just been paid off, and that SKLaw will determine the need for a filing. He requested that the Board authorize filing of such Report, if needed.

Upon motion by Director Fontenette, seconded by Director Bradley, and after full discussion, the Board voted unanimously to authorize SKLaw to file the above-described Report if needed.

Adopt Order Evidencing Review of Investment Policy

The Board then considered adoption of an Order Evidencing Review of Investment Policy [GO 2024-5]. Mr. Kuhl noted that the District is required by the Public Funds Investment Act ("PFIA") to review said Policy annually. The Board discussed the current Investment Policy, noting no changes are proposed at this time. Upon motion by Director Mitchell, seconded by Director Johnstone, and after full discussion, the Board voted unanimously to adopt the Order Evidencing Review of Investment Policy [GO 2024-5].

Adopt Order Adopting List of Qualified Brokers

The Board then considered adoption of a proposed Order Adopting List of Qualified Brokers [GO 2024-6]. Mr. Kuhl discussed with the Board the proposed Order, which lists all qualified brokers with which the District may engage in investment transactions and would allow the District to comply with Section 2256.025 of the Texas Government Code. Mr. Kuhl stated that Mr. Hawthorne, the District's Bookkeeper, has reviewed and concurred with such list.

Upon motion by Director Mitchell, seconded by Director Johnstone, and after full discussion, the Board voted four in favor, with Director Bradley registering an abstention, to adopt the Order Adopting List of Qualified Brokers [GO 2024-6].

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 97.9% of the 2023 taxes have been collected.

Upon motion by Director Mitchell, 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.

Review tax rate study [Rathmann & Associates]

Ms. Lewis presented to the Board a tax rate study for 2024. She and Mr. Kuhl reviewed the truth-in-taxation requirements, noting the characterization of the District as a "developed district" and the attendant 3.5% cap on property tax increases. Ms. Lewis advised that as the District has discharged its remaining debt obligations, there will be no need for a Debt Service Fund levy. She then reviewed the District's other financial needs and recommended a maximum tax rate of \$0.24, consisting of \$0.00 for debt service, and \$0.24 for maintenance and operations.

Review possible tax rate and calculations, and authorize publication of Notice of Public Hearing on Tax Rate

The next item on the agenda was review of possible tax rates and related calculations, and authorization for the Tax Assessor/Collector to publish Notice of Public Hearing on Tax Rate. Upon motion by Director Johnstone, seconded by Director Fontenette, and after full discussion, the Board voted unanimously to authorize the Tax Assessor/Collector to publish Notice of Public Hearing on Tax Rate, scheduled for October 8th, 2024 at 6:30 p.m., and to publish a proposed total tax rate for 2024 of \$0.24 per \$100 of assessed valuation (consisting of \$0.00 per \$100 of assessed valuation for debt service, and \$0.24 per \$100 of assessed valuation for maintenance and operations), along with a tax rate and levy analysis as required by Chapter 49 of the Water Code.

ENGINEERING REPORT

The Board next reviewed the Engineering Report.

Review General Report

Mr. Salinas first advised that water accountability for the month of August was approximately 46%, putting the annual at 53%. He noted the lower accountability results from the temporary use of the water interconnect and that the percentage will improve.

Dell Dale Street sidewalk improvements

Mr. Salinas then provided an update on the Dell Dale sidewalk improvements underway by Harris County, noting that the work within the District is substantially complete. He advised that a balance-due invoice for any remaining facilities adjustments will be prepared once the project is finally inspected and fully complete.

Tenderden Lift Station Improvements

Mr. Salinas reviewed progress on the Tenderden Lift Station improvement project to date. He advised that the contractor is mobilizing and that the project will take approximately 3 weeks to complete once started.

TXDOT – Beltway 8

Mr. Salinas then discussed the TXDOT improvement plans for Beltway 8, noting that drawings for possibly impacted District facilities have now been provided to TXDOT. He advised that the project remains in the planning stages but apparently only main roadway lanes will be rehabilitated.

Suite Build-Out – Wallisville at Dell Dale

Mr. Salinas then discussed construction plans that H-Z has received for the project. He advised that H-Z has reviewed the plans and provided comments.

Water Conservation and Emergency Water Demand Management Plan

Mr. Salinas advised that the Plan was submitted to TCEQ and TWDB, and has been approved.

Lead Service Line Inventory (“LSLI”)

Mr. Salinas then discussed TCEQ reporting requirements for lead and the LSLI. He advised that the District has no lead lines and that he will provide the LSLI findings to TCEQ prior to the reporting deadline. The Board concurred to authorize H-Z to undertake the required filing.

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.

Upon motion by Director Fontenette, seconded by Director Johnstone, 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 and the continuing need for use of the water interconnect. He advised that otherwise, there was nothing out of the ordinary.

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.

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 next major event is the fall over-seed in October.

Mr. Miller also updated the Board on storm clean-up and mowing work at the ponds, water plants, and Wallisville.

Mr. Miller advised that a tree has fallen at Pond No. 1, and will be removed. He also advised that one of the Black Rock Water Plant trees has died, and that it will be replaced at no cost to the District.

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 August 12, 2024. He also updated the Board on NCWA projects.

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