

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

September 12, 2023

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 12th day of September, 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; Perry Miller of Champions Hydro-Lawn; Brian Toldan 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 8, 2023, meeting. Upon motion by Director Johnstone, 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. Patel 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.

AUDIT AND REPORTING MATTERS

The Board then considered approving the audit of the District's financial statements for its fiscal year ended May 31, 2023. Mr. Toldan submitted to and reviewed with the Board a draft of the audit and answered questions. He 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 and Series 2014 Refunding Bonds 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 stated that SKLaw will complete such Report and requested that the Board authorize filing of such Report, which permits compliance with SEC Rule 15c 2-12.

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 upon completion.

Adopt Order Evidencing Review of Investment Policy

The Board then considered adoption of an Order Evidencing Review of Investment Policy [GO 2023-6]. 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 2023-6].

Adopt Order Adopting List of Qualified Brokers

The Board then considered adoption of a proposed Order Adopting List of Qualified Brokers [GO 2023-7]. 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 2023-7].

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 2022 taxes have been collected.

Upon motion by Director Fontenette, 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.

Review tax rate study [Rathmann & Associates]

Ms. Lewis presented to the Board a tax rate study for 2023. 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 reviewed the District's financial needs and recommended a maximum tax rate of \$0.30, consisting of \$0.05 for debt service, and \$0.25 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 10th, 2023 at 6:30 p.m., and to publish a proposed total tax rate for 2023 of \$0.30 per \$100 of assessed valuation (consisting of \$0.05 per \$100 of assessed valuation for debt service, and \$0.25 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 87%, putting the annual at 84%.

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 noted that a findings report on related sanitary sewer lines and manholes should be provided soon.

Dell Dale Street sidewalk improvements

Mr. Salinas advised that the Harris County contractor is approximately 30% complete. He noted traffic control issues, and advised that he will continue to coordinate facilities adjustments as needed.

Review CIP

Mr. Salinas then discussed with the Board the current CIP budget and the status and development of projects. He reviewed proposed modifications and cost projections.

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 discussed surface water and ground water usage and balancing allocations to deal with seasonal and drought conditions. He also discussed system leaks and recent actions. He expressed appreciation to homeowners who have limited

irrigation usage. He advised the District has made it through extreme summer weather conditions with few significant problems.

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 reviewed the written report with the Board and discussed actions pertaining to the facilities. He advised the ponds have remained amazingly green. He echoed Mr. Gray by stating that the drought-like conditions have had little significant impact on the facilities to date. He advised that the next major occurrence will be the October overseed.

Mr. Miller also advised that the new trees at Water Plant No. 2 are doing well. He advised that the irrigation system is running smoothly, and routine observation of the trees is ongoing.

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 August 14, 2023.

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