

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 468

September 1, 2021

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 468 (the “District”) met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott’s emergency disaster declaration dated March 13, 2020, on the 1st day of September, 2021, and the roll was called of the members of the Board being present by telephone:

Kenneth P. Carter	President
Lawrence Kupstas	Vice President
Robert Moore	Secretary/Treasurer
William T. Evans	Assistant Vice President
Blair M. Frederick	Assistant Secretary

and all the above were present, except Director Kupstas, thus constituting a quorum.

Also attending were: David Wood of Robert W. Baird & Co. Incorporated; Karen Sears of Storm Water Solutions, LLC (“SWS”); Cory Burton of Municipal Accounts Consulting, L.P.; Scott Gray of Champions Hydro-Lawn, Inc. (“Champions”); Robert Lugo and Juan Montano of Inframark Water & Infrastructure Services; Anna Duarte of Tax Tech, Inc.; Keli Schroeder of BGE, Inc.; Darren Miller of Murr Incorporated; Randy Corson of Mischer Investments, LP; John Roberts of Jones Lang LaSalle; and Sandra Staine and Meagan Guilmenot of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENT

The Board offered any members of the public attending the meeting by telephone the opportunity to make public comment.

There being no members of the public requesting to make public comment, Mr. Carter moved to the next item.

APPROVE MINUTES

The Board considered approving the minutes of the August 4, 2021, regular meeting. After review and discussion, Director Frederick moved to approve the minutes of the August 4, 2021, regular meeting, as submitted. Director Moore seconded the motion, which carried unanimously.

DISTRICT SECURITY MATTERS

The Board reviewed the security report from the Harris County Sheriff's Office, a copy of which is attached. Director Frederick gave an update on security matters within the District.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Burton presented the bookkeeper's report, including the summary of investments, and reviewed the District's bills with the Board, a copy of which is attached. Upon a motion made by Director Evans and seconded by Director Frederick, the Board voted unanimously to approve the bookkeeper's report and pay the bills listed in the report.

STREET LIGHT FUNDING

Director Frederick requested to fund streetlights within the District at approximately \$1500 per month. He explained that the homeowners association ("HOA") is currently covering the cost of the street lights but is recommending the Board absorb the cost moving forward. Discussion ensued. Ms. Staine suggested a cost-sharing agreement between the District and the HOA. The Board considered funding streetlights within the District. After further discussion, the Board concurred to coordinate with the HOA on a cost-sharing agreement and present the cost-sharing agreement at the next meeting for Board review.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Duarte reviewed the tax assessor/collector's report, a copy of which is attached. She reported that 99.12% of the 2020 tax levy had been collected as of August 31, 2021. Following review and discussion, Director Frederick moved to approve the tax assessor/collector's report and payment of the tax bills. Director Evans seconded the motion, which passed unanimously.

DISCUSS WATER CODE TAX PROVISIONS AND 2021 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2021 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Wood distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2021 water, sewer, and drainage debt service tax rate of \$0.38 per \$100 of assessed valuation and a 2021 road debt service tax rate of \$0.07, based on the District's initial 2021 certified value of \$ 708,088,063. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Staine discussed the two-step process for setting the District's tax rate.

The Board considered the procedures for setting the District's 2021 tax rate. Ms. Staine discussed recent legislative changes to the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. He stated that such legislation established three main categories for water districts, based on a district's development status and/or tax rate. Ms. Staine reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2021 tax year.

Following review and discussion, Director Frederick moved to (1) adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developing District for the 2021 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) set the public hearing date for October 6, 2021; and (3) authorize the tax assessor/collector to publish notice in the Houston Chronicle of the District's meeting on October 6, 2021 to consider the proposed 2021 total tax rate of \$0.53 per \$100 of assessed valuation, with \$0.38 allocated for debt service on water, sewer, and drainage bonds, \$0.07 allocated for debt service on road improvement bonds, and \$0.08 allocated for operations and maintenance. Director Moore seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Ms. Schroeder reviewed a report on engineering matters within the District, a copy of which is attached.

Ms. Schroeder updated the Board regarding the status of design for the Chasewood Waterline Loop.

Ms. Schroeder updated the Board regarding the status of construction of the Outfall Repair along Cypress Creek. Ms. Schroeder reviewed and recommended Pay Estimate No. 1 in the amount of \$118,546.20, payable to AR Turnkey, for the Outfall Repair project.

Mr. Roberts updated the Board on the status of the pending annexation within the District.

Following review and discussion, Director Frederick moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 1 in the amount of \$118,546.20, payable to AR Turnkey, for the Outfall Repair project. Director Evans seconded the motion, which passed by a unanimous vote.

ACCEPT PETITION FOR ADDITION OF CERTAIN LAND

Ms. Staine reviewed a Petition for Addition of Certain Land. After review and discussion, Director Frederick moved to accept the Petition for Addition of Certain Land, subject to final review and the receipt of the applicable documentation from the landowners and the lienholders, and direct that the Petition be filed appropriately and retained in the District's official records. Director Evans seconded the motion, which passed by unanimous vote.

AUTHORIZE EXECUTION AND FILING OF PETITION FOR CONSENT TO ANNEX LAND

Ms. Staine reviewed a Petition for Consent to Annex Land. After review and discussion, Director Frederick moved to authorize execution and filing of Petition for Consent to Annex Land, subject to final review and the receipt of the applicable documentation from the landowners and the lienholders, and direct that the Petition be filed appropriately and retained in the District's official records. Director Evans seconded the motion, which passed unanimously.

MAINTENANCE OF DETENTION POND

Ms. Sears reviewed a report on maintenance of the Vintage Royale Drainage Facilities by SWS, a copy of which is attached.

Mr. Gray reviewed a report on maintenance of the Vintage Southeast Detention Pond by Champions, a copy of which is attached. Mr. Gray also reported a sign that is missing on the Vintage Southeast Detention Pond. Discussion ensued. After further discussion, Mr. Gray requested to add an agenda item for next month's meeting relating to replacing the missing sign for further Board review and discussion.

Mrs. Staine reviewed a proposal for \$3,300.00 from Lake Management Services, LP ("LMS") for vegetation removal at the Vintage Royale detention pond.

Following review and discussion, Director Frederick moved to approve the proposal from LMS for \$3,300.00 for vegetation removal at the Vintage Royale detention pond. Director Evans seconded the motion, which passed by unanimous vote.

PARK AND RECREATIONAL FACILITIES

Mr. Miller reviewed the landscape architect's report, a copy of which is attached.

Mr. Miller updated the Board regarding the District Wayfinding project. Mr. Miller stated that easements are needed from property owners to pursue the project. He then presented exhibits of existing signs for Board review. The Board discussed funding options for the Wayfinding project, ownership of the existing signs, and expenses to

obtain easements. Discussion ensued. After further discussion, the Board concurred not to proceed with the Wayfinding project.

Mr. Miller updated the Board on the status of the District Connectivity Sidewalk project. He also reviewed a cost estimate for the Vintage Royale Sidewalks project for approximately \$229,000.00. Discussion ensued on the District's funds and options for permitting package plans that will get submitted to Harris County (the "County") for review and approval. The Board considered approving the Vintage Royale Sidewalks project. Mr. Miller stated he would separate the Vintage Royale Sidewalks projects from the District Connectivity Sidewalk project and submit it separately to the County for review.

After review and discussion, Director Frederick moved to (1) approve the Vintage Royale Sidewalks project, subject to final review and approval; and (2) authorize the District to fund the Vintage Royale Sidewalks project from the District's Series 2021 Bonds. Director Evans seconded the motion, which passed by a unanimous vote.

DEVELOPMENT IN THE DISTRICT

There was no update for this agenda item.

DISTRICT WEBSITE

Mr. Corson updated the Board regarding the District's website. Mr. Corson then requested a website representative come to the Board meetings quarterly to provide website updates. Discussion ensued. After further discussion, the Board concurred to allow a District website administrator to attend the Board meetings quarterly to provide updates.

OPERATION OF DISTRICT FACILITIES

Mr. Montano presented the monthly operator's report, a copy of which is attached, and discussed repairs and maintenance in the District. He stated that the District's water accountability for the month was 101.11%.

Following review and discussion, Director Frederick moved to approve the operator's report. Director Evans seconded the motion, which passed unanimously.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Mr. Montano presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

Mr. Montano requested the Board's authorization to turn off services of eight delinquent accounts if balances are not paid by September 13, 2021. He also requested authorization to turn over one account to collections totaling \$109.40.

Following review and discussion, Director Evans moved to (1) authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records; and (2) authorize submittal of one account to collections. Director Moore seconded the motion, which passed by unanimous vote.

AMEND RATE ORDER

There was no discussion on this agenda item.

The Board concurred to conduct the next regular meeting in person on October 6, 2021, at 11:30 a.m.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

/s/Robert Moore

Secretary, Board of Directors

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