

MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 11
HARRIS COUNTY, TEXAS

1 December 2021

THE STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 11 (the "District") met in regular session, open to the public at 5:00 p.m. on Wednesday, the 1st day of December 2021, at the offices of Coats Rose, P.C., 9 Greenway Plaza, Suite 1000, Houston, Texas 77046, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Kenneth D. Vasina	President/Investment Officer
Cynthia Ann Cruz	Vice President
Tammy B. Rose	Secretary/Treasurer
Marvin L. Zahradnik	Assistant Secretary/Treasurer
[Vacant]	Assistant Vice President

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

Also present were Robin Goin of Bob Leared Interests ("Leared"), the District's Tax Assessor/Collector; Troy Bordelon, P.E., of A&S Engineers, Inc. ("A&S"), the District's Engineer; Dennis Wright of Water District Management Company, Inc. ("WDM), the District's Operator; Dick Yale, Christopher Hsu, and David Green of Coats Rose, P.C. ("Coats Rose"), the District's Attorney; JoAnn Vasina; and Leroy Rose, a resident of the District.

Director Vasina called the meeting to order.

Tax Assessor/Collector's Report

Ms. Goin presented the Tax Assessor/Collector's Report for the Board's consideration. She reported that the District's 2020 tax levy was 97.6% collected as of 30 November 2021. She asked for the Board's approval of two checks written on the District's tax account and two wire transfers as follows: the transfer of \$25,358.02 in revenues from the District's tax for maintenance and operations to the General Fund and the transfer for \$60,000 to the Debt Service Fund. Ms. Goin then called the Board's attention to the list of Top Delinquent Taxpayers, a copy of which is included in the Tax Assessor/Collector's Report. A discussion ensued regarding the status of certain delinquent tax accounts (the "Delinquent Accounts"). Ms. Goin described to the Board how the Delinquent Accounts would be handled by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Attorney.

After discussion, upon a motion duly made by Director Rose and seconded by Director Cruz, the Board voted unanimously to: (1) accept the Tax Assessor/Collector's Report; and (2) authorize the disbursements from the District's Tax Account as listed therein. A copy of the Tax Assessor/Collector's Report is attached hereto as an exhibit to these minutes.

Engineer's Report

Next, Mr. Bordelon presented the Engineer's Report, a copy of which is attached hereto as an exhibit.

Rehabilitation of Sanitary Sewer Lines in Woodgate Subdivision, Sections 1 and 2 (the "Sewer Repairs"). Mr. Bordelon reported on the status of the contract with King Solution Services LLC ("KSS") for the Sewer Repairs. He stated that construction activity on the Sewer Repairs was continuing and that KSS was working to televise the sanitary sewer line segments between manholes Nos. 8 and 14.

Request for Service / Used Car Lot on Veterans Memorial Drive. Mr. Bordelon reported that the District's Engineer and Operator had reviewed the plans for a mobile office to be located on the used car lot at 10495 Veterans Memorial Drive (the "Mobile Office"), including the plans for the proposed screen chain link perimeter fence (the "Fence"). He recalled that Director Zahradnik had requested a copy of the plans for the Mobile Office and the Fence for review prior to the issuance by the District's Engineer of the "no objection" letter to the applicant.

Emergency Preparedness Plan (the "EPP"). Mr. Bordelon reported on the preparation of the revised EPP pursuant to the 28 May 2021 Affected Utility Compliance letter from the Texas Commission on Environmental Quality (the "Commission"). He informed the Board that A&S had submitted the revised EPP to the Commission.

Emergency Response Plan (the "ERP"). Mr. Bordelon reported on the status of the ERP to be certified to the U.S. Environmental Protection Agency (the "EPA") by 28 December 2021 pursuant to the requirements of the America's Water Infrastructure Act. He stated that A&S would notify the Board when certification of the ERP is provided to the EPA.

Facility Evaluation Report. Mr. Bordelon stated that he had nothing new to report at this time with regard to the Facility Evaluation Report.

Inspection of Ground Storage Tank (the "GST"). Mr. Bordelon informed the Board that the 5-year full inspection of the GST at Water Plant No. 1 was scheduled to be performed on 8 December 2021.

Memorial Plaques for Former Directors (the "Plaques"). The Board discussed matters relating to the Plaques honoring former Directors Marjorie Guillory and Billy D. Taylor to be installed in the retaining wall on the southwest corner of the intersection

of Woodsdale Boulevard and Woodington Drive. Mr. Bordelon reported that A&S will contact the manufacturer of the Plaques to inform them of any updates following the Board's review of the Plaque layouts as included in the Engineer's Report.

Central Harris County Regional Water Authority (the "CHCRWA"). Mr. Bordelon reported that the District's Engineer met with representatives of the CHCRWA during the previous week to discuss the CHCRWA's proposed surface water transmission line (the "Transmission Line") to provide surface water to Harris County Municipal Utility District No. 33 and Fallbrook Utility District. He explained to the Board that construction of the Transmission line will assist the CHCRWA in meeting the Harris-Galveston Subsidence District's requirement to provide 60% of the water users within the boundaries of the CHCRWA with surface water by 2025. Mr. Bordelon noted that the City of Houston (the "City") is not involved with the Transmission Line project. He then told the Board that the engineer for the CHCRWA has proposed a 30-foot water line easement that will directly overlap the District's 10-foot water line easement that runs along Veterans Memorial Boulevard. He called the Board's attention to a map depicting the proposed location of the Transmission Line in relation to the District. A copy of the map is included with the Engineer's Report. Mr. Bordelon then discussed with the Board the projected schedule for the Transmission Line project.

Water Supply and Groundwater Reduction Plan Wholesale Agreement (the "GRP Agreement"). The Board discussed matters relating to the GRP Agreement dated 5 March 2003 between the District and the City. Mr. Bordelon reported that the A&S had submitted all requested drawings to the City's engineer. He added that the District's Engineer was awaiting a set of drawings from the City that incorporates the existing utilities owned by the District.

Stormwater Outfall Lines. Mr. Bordelon reported that the District's Engineer is scheduling an inspection of the stormwater outfall lines into the drainage channels.

Traffic Issues in Woodgate Subdivision, Section 3 ("Section 3"). The Board briefly discussed matters relating to traffic issues in Section 3. Mr. Bordelon reported that on 29 November 2021 the District's Engineer submitted a request to Harris County (the "County") to conduct a traffic study to evaluate the possible installation of a traffic signal at the intersection of Veterans Memorial Drive and Marshwood Road.

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Mr. Bordelon reported that the pilot study for the proposed Arsenic System was scheduled to commence in January 2022.

After further discussion, upon a motion duly made by Director Zahradnik and seconded by Director Cruz, the Board voted unanimously to accept the Engineer's Report.

Operator's Report

Mr. Wright presented the Operator's Report, a copy of which is attached hereto as an exhibit to these minutes. He reviewed with the Board the condition of the District's facilities.

Items Needing Repair or Replacement. Mr. Wright reviewed the status of the improvements, repairs, and items needing attention at the Water Plants and Wastewater Treatment Plant to be handled by the District's Operator as listed in the Facility Evaluation Report presented at the Board's meeting on 3 November 2021.

Morewood Lift Station. Mr. Wright discussed with the Board the proposed construction of a driveway from the entrance of the Morewood Lift Station site to the wet well (the "Driveway"). He reported that the District's Operator had received a price quote to construct a concrete Driveway at a cost of \$22,000 and a price quote to construct a gravel Driveway at a cost of \$16,000. A discussion ensued regarding the relative advantages and disadvantages of the concrete Driveway and the gravel Driveway. The Directors then deferred further discussion on this matter to a future meeting of the Board.

Proposed Automated Mass Notification System. The Board then discussed the proposed automated mass notification system (the "Notification System") for providing information to the District's customers by electronic mail, SMS text messages, or automated telephone calls. Mr. Wright explained that the contract for the Notification System would be between WDM and Blackboard, Inc. The Board discussed with Mr. Wright the type of messages that would be transmitted through the Notification System (the "Messages"). The Directors agreed that the District's Operator would have standing authorization to transmit Messages regarding leaks in the District's water distribution system; and would need to seek authorization from the Board or a designated Director to transmit other Messages. After discussion, the Board agreed to designate Director Cruz to review and authorize the Messages.

After further discussion, upon a motion duly made by Director Cruz and seconded by Director Zahradnik, the Board voted unanimously to (1) accept the Operator's Report; and (2) authorize the District's Operator to proceed with establishing the Notification System.

Termination of Service

The Board discussed matters relating to the termination of water and sewer service to certain delinquent accounts. The President recognized Mr. Wright, who advised the Board that the requisite notifications had been given to each customer and that each customer was advised of the date, time, and place of the Board meeting which they could attend to discuss termination of service. After discussion, the Directors agreed to suspend the termination of service to the delinquent accounts until January 2022.

Water Rate Adjustment / City of Houston

Next, the Board discussed matters relating to the water rates charged by the City pursuant to the GRP Agreement. Mr. Yale distributed to the Board copies of a memorandum dated 1 December 2021 from Coats Rose regarding the water rates charged by the City pursuant to the GRP Agreement, a copy of which is attached hereto as an exhibit to these minutes. Mr. Yale stated that effective 1 September 2021 the base contract rate charged by the City for the purchase of treated water increased to \$3.31 per 1,000 gallons. Accordingly, he continued, the groundwater pumpage fee (the "Pumpage Fee") that the District pays to the City under the GRP Agreement was \$1.01 per 1,000 gallons. Mr. Yale remarked that the District's Consolidated Rate Order assesses a fee to the District's customers equal to the Pumpage Fee, plus an additional 10% (the "City Fee"). Accordingly, he continued, the amount charged to the District's Customers for the City Fee increased to \$1.11 per 1,000 gallons effective 1 September 2021. He noted that the City did not transmit a notice to the District's Attorney earlier this year regarding the increase in the City Rates that became effective on 1 September 2021.

Amend Rate Order

Consideration was then given to amending the District's Consolidated Rate Order (the "Rate Order") with respect to the rates charged to the District's customers for water and sanitary sewer service (the "Service Rates"). Following a brief discussion, the Directors expressed their view that the Service Rates charged to the residential, commercial, and non-taxable customers of the District were adequate at this time.

Attorney's Report

Mr. Yale presented the Attorney's Report.

Series 2021 Refunding Bonds (the "Refunding Bonds"). Mr. Yale reported that the closing of the sale of the Refunding Bonds was scheduled to take place on Tuesday, 14 December 2021.

Sidewalk Along Frick Road (the "Sidewalk"). Mr. Yale discussed with the Board the amount due from the District to the County for the District's share of the cost for the Sidewalk Project. He recalled that on 19 November 2021 Rafi Omar of the County's Engineering Department had transmitted to Claudia Redden & Associates, Inc., the District's Bookkeeper, a copy of the credit invoice in connection with the Sidewalk Project (the "Credit Invoice"). According to Mr. Rafi, he continued, the District owes the County a total of \$83,970.86 for the District's share of the cost for the Sidewalk Project, said amount representing the original invoice amount of \$337,620.23, less the Credit Invoice of \$253,649.37. He added that Ms. Redden was requesting authorization from the Board to release the check to the County for payment of the amount due for the Sidewalk Project. The Directors requested that the District's Attorney provide them with a copy of the Credit Invoice. The Directors then deferred consideration of this matter to the Board's meeting on 22 December 2021.

Annual G-10 Notification from District's Financial Advisor. Mr. Yale submitted for the Board's review a letter dated 29 October 2021 from Masterson Advisors, LLC ("Masterson"), a copy of which is attached hereto as an exhibit to these minutes. Mr. Yale explained that pursuant to certain amendments to Rule G-10 as promulgated by the Municipal Securities Rulemaking Board ("MSRB"), municipal financial advisors are required to present certain written disclosures to their clients with respect to Investor and Municipal Advisory Client Education and Protection. Accordingly, he continued, the letter states that (1) Masterson is currently registered as a Municipal Advisor with the SEC and the MSRB; and (2) within the MSRB website the District may obtain the Municipal Advisory client brochure that describes the protections that may be provided by the MSRB Rules, along with the procedures for filing a complaint with financial regulatory authorities.

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

Secretary, Board of Directors

SEAL

Harris County Municipal Utility District No. 11
Meeting of 1 December 2021
Attachments

1. Tax Assessor/Collector's Report;
2. Engineer's Report;
3. Operator's Report;
4. Memorandum / City of Houston water rates; and
5. G-10 Letter from Masterson Advisors.