

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

2 February 2022

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 the 2nd day of February 2022 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; 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., the District's Attorney; JoAnn Vasina, an interested party; and the following residents of the District: Leroy Rose and Luther Cowling. Attending the meeting by teleconference was Troy Bordelon, P.E., of A&S Engineers, Inc. ("A&S"), the District's Engineer.

Director Vasina called the meeting to order.

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.

Wastewater Treatment Plant (the "Plant") / Blower No. 1. Mr. Wright reviewed with the Board a proposal from Elite Pumps & Mechanical Services, LLC ("EPMS") to repair Blower No. 1 at the Plant for a cost of \$23,545 (the "Blower Repairs"). A copy of the EPMS proposal is attached hereto as an exhibit to these minutes. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the EPMS proposal and to authorize the District's Operator to notify EPMS to proceed with the Blower Repairs.

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 reviewed with the Board a proposal from Wright Solutions, LLC ("Wright") to construct the Driveway at a cost of \$24,992. A copy of the Wright proposal is attached hereto as an exhibit to these minutes. After discussion, upon a motion duly made by Director Cruz and seconded by Director Zahradnik, the Board voted unanimously to accept the Wright proposal and to authorize the District's Operator to notify Wright to proceed with construction of the Driveway.

Then, after review, upon a motion duly made by Director Rose and seconded by Director Cruz, the Board voted unanimously to accept the Operator's Report.

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 2021 tax levy was 88.8% collected as of 31 January 2022. She asked for the Board's approval of four checks written on the District's tax account and wire transfers as follows: the transfer of \$179,698.98 in revenues from the District's tax for maintenance and operations to the General Fund and the transfer for \$385,000 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.

Ms. Goin then submitted for the Board's review the Delinquent Tax Report ("Report") as prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's Delinquent Tax Attorney, and discussed the status of the legal action being taken against various delinquent tax accounts.

After discussion, upon a motion duly made by Director Cruz and seconded by Director Rose, the Board voted unanimously to: (1) accept the Tax Assessor/Collector's Report; (2) authorize the disbursements from the District's Tax Account as listed therein; and (3) accept the Delinquent Tax Attorney's Report. Copies of the Tax Assessor/Collector's Report and the Delinquent Tax Attorney's Report are attached hereto as exhibits to these minutes.

Resolution Concerning Tax Exemptions for 2022

Next, Mr. Yale submitted a draft RESOLUTION CONCERNING EXEMPTION OF RESIDENCE HOMESTEADS FROM TAXATION for the Board's consideration. Mr. Yale noted that the Resolution had been prepared with the same exemptions that had been offered for 2021, that is \$30,000 for persons who are disabled or who are sixty-five years of age or older (and no general residential homestead exemption). A discussion ensued regarding the exemption for persons who are disabled or who are sixty-five years of age or older (the "Exemption"). The Directors expressed their interest in possibly increasing the Exemption to \$35,000 or \$40,000. Mr. Yale stated that the Board would need to first confer with Masterson Advisors, LLC ("Masterson"), the

District's Financial Advisor, and confirm that increasing the Exemption would not adversely affect the collection of property taxes by the District. The Board directed Ms. Goin to contact Masterson regarding this matter. The Directors then deferred further discussion regarding the Resolution to the Board's meeting on 23 February 2022.

Agreement for Delinquent Tax Collection Services

Mr. Yale then explained that the Board could impose a statutory charge (the "Collection Charge") of 20% on all 2021 taxes, penalties, and interest delinquent on 1 July 2022 for real property (and on 1 April 2022 for personal property), said Collection Charge to be used to finance the costs of collection of the delinquent taxes. In order to do so, he continued, the Board must first confirm its agreement (the "Agreement") for delinquent tax attorney services with Perdue, Brandon, Fielder, Collins & Mott, L.L.P. He explained further that under the Agreement, the amount paid by the District to the District's Delinquent Tax Attorney for the collection of delinquent 2021 taxes would be equal to the additional collection charge as approved by the Board on all 2021 taxes, penalties, and interest delinquent on the applicable dates, up to the statutory maximum of 20%, pursuant to Sections 33.07, 33.08, and 33.11 of the Texas Tax Code. After discussion, upon a motion duly made by Director Rose and seconded by Director Cruz, the Board voted unanimously to confirm its Agreement with the District's Delinquent Tax Attorney.

Collection Charge on all Delinquent 2021 Taxes, Penalties, and Interest

Consideration was then given to imposing the Collection Charge as described above. After discussion, upon a motion duly made by Director Rose and seconded by Director Cruz, the Board voted unanimously to impose a 20% Collection Charge on all 2021 taxes, penalties, and interest that are due and remain delinquent as of the applicable dates, pursuant to Sections 33.07, 33.08, and 33.11 of the Texas Tax Code. A copy of the CERTIFICATE OF BOARD ACTION related to this matter 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 informed the Board that KSS was working on the pipe bursting and site restoration at this time. Mr. Bordelon then noted that KSS had paid the amount due to subcontractor Core & Main, LP and accordingly the District's check to KSS for payment of Pay Estimate No. 4 on the Sewer Repairs project had been released.

Request for Service / Taco Bell Restaurant. Mr. Bordelon reported on the request for service from the new Taco Bell restaurant located on Veterans Memorial Boulevard north of Aldine Western Road (the "Restaurant"). He stated that the District's Engineer had issued a comment letter on the plans for the Restaurant to the applicant and was awaiting receipt of a revised set of plans.

Request for Service / Used Car Lot on Veterans Memorial Drive. Mr. Bordelon reported that the District's Engineer had received a request from the applicant for a refund of the balance of the deposit placed with the District in connection with the request for service. He stated that A&S would consult with the District's Operator to determine whether there were any outstanding invoices in connection with this matter.

Inspection of Ground Storage Tank (the "GST"). Mr. Bordelon reported that A&S had received the evaluation report in connection with the 5-year full inspection of the GST at Water Plant No. 1 that was performed in December 2021. He stated that the District's Engineer was reviewing the evaluation report and would prepare a cost estimate for any rehabilitation work on the GST that might be necessary.

Water Supply and Groundwater Reduction Plan Wholesale Agreement (the "GRP Agreement"). The Board briefly discussed matters relating to the GRP Agreement dated 5 March 2003 between the District and the City of Houston (the "City"). Mr. Bordelon stated that he had nothing new to report on this matter.

Central Harris County Regional Water Authority (the "CHCRWA"). The Board discussed matters relating to the CHCRWA's proposed surface water transmission line project (the "Transmission Line") to provide surface water to Harris County Municipal Utility District No. 33 and Fallbrook Utility District. Mr. Bordelon reported that the District's Engineer is awaiting receipt from the CHCRWA of a set of plans for the Transmission Line that incorporates the District's water distribution facilities. He called the Board's attention to a survey map of the District that denotes the location of the CHCRWA's proposed utility easements (the "CHCRWA Easements") relative to the District's existing utility easements. A copy of the survey map is attached hereto as an exhibit to these minutes. A discussion ensued regarding the CHCRWA Easements. Mr. Bordelon remarked that the alignment of the CHCRWA surface water transmission line as depicted in the survey map was preliminary.

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 he was awaiting a schedule from the manufacturer for the installation of the Plaques.

Potential Capital Improvement Projects at the District's Facilities. Mr. Bordelon reported that the District's Engineer was drafting a list of potential capital improvement projects for review at a future meeting of the Board.

Inspection of Storm Sewer Outfall Pipes Into Drainage Channels and Roadside Ditches along Veterans Memorial Drive (the "Outfall Inspection"). Mr. Bordelon reported that A&S is scheduling the Outfall Inspection and will present the findings from same at a future meeting of the Board.

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Mr. Bordelon reported that the pilot study for the proposed Arsenic System had commenced.

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

Security Patrol Report

Director Zahradnik reviewed with the Board the Security Patrol Reports for the months of December 2021 and January 2022 as prepared by the Harris County Sheriff's Office. Copies of the Security Patrol Reports are attached hereto as exhibits to these minutes.

Attorney's Report

Mr. Yale presented the Attorney's Report.

Director Vacancy. The President recognized Mr. Cowling, who addressed the Board regarding his interest in serving as a Director of the District. The Directors expressed their agreement that Mr. Cowling would be a welcome addition to the Board. Mr. Yale stated that the District's Attorney would prepare the ORDER APPOINTING DIRECTOR for consideration at the Board's meeting on 23 February 2022 and would provide Mr. Cowling with the requisite documents for his appointment to the Board.

Travel Allowance for Attendance at Board of Directors Meetings (the "Allowance"). The Board briefly discussed the Allowance (currently \$15) that is paid to a Director for driving to attend a meeting of the Board at the offices of Coats Rose, P.C. The Directors agreed to consider a possible increase in the Allowance at the Board's meeting on 23 February 2022.

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 2 February 2022
Attachments

1. Operator's Report;
2. Proposal / Blower No. 1 Repairs;
3. Proposal / Morewood Lift Station Driveway;
4. Tax Assessor/Collector's Report;
5. Delinquent Tax Attorney's Report;
6. Certificate of Board Action / 20% collection charge;
7. Engineer's Report;
8. Survey Map / CHCRWA water line easements (preliminary);
9. Security Patrol Report / December 2021; and
10. Security Patrol Report / January 2022.