

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

27 April 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 27th day of April 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
Luther F. Cowling	Assistant Vice President

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

Also present were Claudia Redden of Claudia Redden & Associates, L.L.C., the District's Bookkeeper; Mark Eyring representing Mark C. Eyring, CPA, PLLC, the District's Auditor; Troy Bordelon, P.E., and Hala Abdo, 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, an interested party; and Leroy Rose, a resident of the District.

Director Vasina called the meeting to order.

**Annual Audit Report for Fiscal Year Ended 31 December 2021**

The President recognized Mr. Eyring, who submitted to and reviewed with the Board the draft Annual Audit Report for the District (the "Report") for the fiscal year ended 31 December 2021 (the "Fiscal Year"). He reviewed with the Board (1) the District's combined fund balances as of the end of the Fiscal Year; (2) the District's total net assets; (3) the District's capital assets; (4) the amount of the District's bonded debt payable; (5) the Notes to Financial Statements; and (6) the Statement of Net Position and Governmental Funds Balance Sheet. Mr. Eyring then reviewed with the Board the draft Management Letter prepared in connection with the Report. Mr. Eyring told the Board that he had issued an unqualified opinion on the Report, meaning that all of the materials required for review of the financial condition of the District had been provided.

After discussion, upon a motion duly made by Director Cruz and seconded by Director Rose, the Board voted unanimously to: (1) approve the draft of the Annual Audit Report for the District for the fiscal year ended 31 December 2021, pursuant to review by the District's consultants; (2) authorize Mr. Eyring to finalize the Annual Audit Report; (3) authorize Director Vasina to execute the Affidavit of Filing of Annual Audit Report and the letter of representations to Mark C. Eyring, CPA, PLLC; and (4) authorize the District's Attorney to file the finalized Annual Audit Report with the Texas Commission on Environmental Quality (the "Commission") and other governmental agencies as required. A copy of the draft Annual Audit Report is filed in the permanent records of the District. A copy of the Letter of Representation is attached hereto and shall be considered to be a part of these minutes.

### **Approval of Minutes**

The Board next considered approval of the minutes of the meetings of 23 March 2022 and 6 April 2022. After discussion, upon a motion duly made by Director Cowling and seconded by Director Rose the Board voted unanimously to approve the minutes of the meetings of 23 March 2022 and 6 April 2022, as written.

### **Engineer's Report**

Then Ms. Abdo 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"). Ms. Abdo reported on the status of the contract with King Solution Services LLC ("KSS") for the Sewer Repairs. She informed the Board that KSS was working on the pipe bursting and site restoration at this time.

Request for Service / Taco Bell Restaurant. Ms. Abdo reported on the request for service from the new Taco Bell restaurant located on Veterans Memorial Drive north of Aldine Western Road (the "Restaurant"). She stated that the District's Engineer was awaiting receipt of a revised set of plans for the Restaurant.

Inspection of Storm Sewer Outfall Pipes Into Drainage Channels and Roadside Ditches along Veterans Memorial Drive (the "Outfall Inspection"). The Board discussed matters relating to the Outfall Inspection. Ms. Abdo recalled that the Harris County Flood Control District (the "HCFCD") had informed the District's Engineer that the drainage ditches into which the outfall pipes discharge were due for maintenance by mid-May 2022. She stated that A&S would inspect the area after the maintenance is performed by the HCFCD. Ms. Abdo then reported that the Maple Ridge Place Community Association, Inc. (the "Association") had not responded to the letter from A&S requesting that the Association address the damaged outfall pipes in the Maple Ridge Place Detention Pond. The Directors expressed their desire for the District's Attorney to transmit a similar request letter to the Association.

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Ms. Abdo reported that A&S had received the data testing report (the "Testing Report") for the pilot study on the Arsenic System (the "Pilot Study") from Tonka Water and had submitted the Testing Report to the Commission for review and approval.

Drainage Study / Area Adjacent to Veterans Memorial Drive (the "Drainage Study"). Ms. Abdo reported that the District's Engineer had reviewed the plans received from Harris County regarding the drainage patterns for the roadside drainage ditch (the "Ditch") along Veterans Memorial Drive. She stated that the District's Engineer submitted a request to Harris County Commissioner Precinct No. 2 regarding the rehabilitation of the Ditch and to address the District's concerns regarding the stormwater drainage in the area. Ms. Abdo explained to the Board that the portion of the District located south of Marshwood Road is now within the boundaries of Harris County Commissioner Precinct No. 2 and the portion of the District located north of Marshwood Road is now within the boundaries of Harris County Commissioner Precinct No. 1.

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"). Ms. Abdo stated that she had nothing new to report on this matter. She noted that A&S was awaiting receipt of the alignment of the City's proposed surface water line for review.

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. Ms. Abdo reported that John Hale, E.I.T., of IDS Engineering Group, design engineer for the CHCRWA, plans to attend the Board's meeting on 4 May 2022 to review the project scope for the Transmission Line. She stated that A&S received a set of plans for the Transmission Line that do not reflect the updated design modifications (i.e., decreasing the width of the proposed water line easement along Veterans Memorial Drive from 30 feet to 20 feet). Ms. Abdo then stated that the District's Engineer had reviewed the plans for the section of the Transmission Line to be constructed along the north boundary of the District's Water Plant No. 3 site. She called the Board's attention to a survey drawing depicting the location of the Transmission Line in relation to the Water Plant No. 3 site. A copy of the survey drawing is included with the Engineer's Report. Ms. Abdo stated that the Transmission Line would be located within the existing 30-foot public right-of-way easement located along the north portion of the Water Plant No. 3 site.

Traffic Issues in Woodgate Subdivision, Section 3 ("Section 3"). The Board briefly discussed matters relating to traffic issues in Section 3, including the District's request for the installation of a traffic light at the intersection of Veterans Memorial Drive and Marshwood Road. Ms. Abdo reported that the Harris County Traffic Study Department is preparing a study (the "Traffic Study") that is expected to be completed in August 2022. In the meantime, she continued, the District's Engineer is awaiting updates on the Traffic Study from Harris County Commissioner Precinct 1.

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. Ms. Abdo reported that A&S received notice from Crowley Signs & Graphics, Inc. ("Crowley") that the Plaques were ready for installation. She stated that Crowley was expected to install the Plaques within the next two weeks.

Potential Capital Improvement Projects at the District's Facilities. The Board briefly discussed matters relating to the draft Table IV – Cost Summary that was presented at the Board's meeting on 23 March 2022. As discussed at the meeting, said Mr. Bordelon, the District's Engineer will await the receipt of the 2022 assessed valuation of the real property in the District before finalizing the project list for the next sale of bonds by the District.

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

### **Bookkeeper's Report**

Ms. Redden presented the Bookkeeper's Report for the Board's consideration. She commented on the income to the District, summarized the activity in each of the District's accounts, and listed the balance in each account. Ms. Redden discussed the District's investment information with the Board and reviewed the District's Investment Report, as included in the Bookkeeper's Report. She noted that TexPool had paid an average interest rate of 0.1536% per annum for the reporting period.

The Board then completed the review of the invoices to the District and the checks prepared in payment thereof. Mr. Bordelon remarked that the cost for the Pilot Study should be paid from the District's Operating Fund rather than from the Capital Projects Fund.

After further discussion, upon a motion duly made by Director Rose and seconded by Director Cruz, the Board voted unanimously to: (1) accept the Bookkeeper's Report; (2) authorize the payment of the District's bills; and (3) approve the Investment Report. Copies of the Bookkeeper's Report and Investment Report are attached to and shall be considered to be part of these minutes.

### **Operator's Report**

Mr. Wright presented the Operator's Report, a copy of which is attached hereto as an exhibit to these minutes. Mr. Wright stated that the total water accountability rate for the District's wells was 91.6% for the month of March 2022. He noted that the results of the bacteriological tests performed on samples of the District's water indicated that no coliform organisms were present. Mr. Wright then reported that the District's Wastewater Treatment Plant (the "Plant") treated an average flow of 256,000 gallons

per day during the month, representing a flow equal to 51.2% of the design capacity for the Plant. Also reviewed was the Arsenic Analysis Report, a copy of which is included with the Operator's Report.

Water Plant No. 1 / Booster Pump No. 2. Mr. Wright discussed with the Board the condition of Booster Pump No. 2. He reviewed a price quote from Neil Technical Services, Corp. ("NTS") and recommended that the Board authorize NTS to repair the pump assembly and replace the motor on Booster Pump No. 2 at a cost of \$13,165 (collectively, the "Booster Pump Repairs"). A copy of the NTS price quote is attached hereto as an exhibit. After discussion, upon a motion duly made by Director Rose and seconded by Director Cruz, the Board voted unanimously to authorize the District's Operator to notify NTS to proceed with the Booster Pump Repairs.

Morewood Lift Station. Mr. Wright reported that the construction by Wright Solutions, LLC of the concrete apron extending from the roadway to a point 6 inches past the gate at the lift station site was complete.

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

### **Termination of Service**

Consideration was then given 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. The Board noted that there were no customers present to protest the utility billings. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate the water and sewer service to those accounts listed on the termination list.

### **Water Service to Out-of-District Customers / Tax-Exempt Entities**

The Directors discussed matters relating to the St. John Neumann Catholic Church (the "Church"), to which the District provides water and wastewater service pursuant to the Agreement for Out-of-District Service dated 26 October 1978, as amended (the "Service Agreement"). Mr. Yale reviewed with the Board a letter dated 24 April 2022 from Fr. Clair Orso, pastor of the Church, in which Fr. Orso requested that the District continue to bill the Church for service according to the rate for in-District customers rather than a rate that is equal to three times the rate charged to similar but taxable facilities within the District (the "Church Rate") as established in the Service Agreement. A copy of the letter is attached hereto as an exhibit to these minutes. The Directors also discussed the rate being charged to the Houston National Cemetery (the "Cemetery") pursuant to Section 3.01.E of the District's Consolidated Rate Order. Mr. Wright and Mr. Yale stated that they had not been able to locate an Agreement for

Out-of-District Service between the District and the Cemetery or the U.S. Department of Veteran Affairs (the "DVA"), which Agreement may have pre-dated the engagement of WDM and Coats Rose as consultants for the District. Mr. Yale recommended that the Board amend the Rate Order to establish separate rates for water service to be charged to (1) tax-exempt entities that are located in the District; and (2) tax-exempt entities that are located outside of the District. He explained that the proposed water rates for tax-exempt entities located outside of the District would be applicable to the Church and the Cemetery and would follow the Church Rate as established in the Service Agreement. He explained further that the proposed amendments to the Rate Order would entail replacing the existing Section 3.01.E in the Rate Order that specifically establishes the water rate to be charged to the Cemetery. The Directors expressed their intent to amend the Rate Order as recommended by Mr. Yale at the Board's meeting on 4 May 2022.

Then, after discussion, upon a motion duly made by Director Rose and seconded by Director Cowling, the Board voted unanimously to authorize the District's Operator to continue charging the Church Rate to the Church as established in the Service Agreement.

The Board then directed the District's Attorney to prepare letters as follows for execution by Director Vasina: (1) a letter to the Church explaining that since 2013 the Church, via written agreement, has agreed to pay for water service at a rate equal to three times the rate charged to similar but taxable facilities within the District; and (2) a letter to the DVA providing notice of the amendment to the Rate Order to be adopted and effective on 4 May 2022 regarding the rate for water service to be charged to all tax-exempt entities located outside the boundaries of the District.

### **Security Patrol Report**

Director Zahradnik presented a brief report on security-related matters in the District, including his recent conversations with Deputy Francisco Avila of the Harris County Sheriff's Office.

### **Insurance Coverage for the District's Consultants**

Next, the Directors considered requiring the District's consultants to submit insurance certificates evidencing liability insurance coverage for their respective firms. After discussion, upon a motion duly made by Director Zahradnik and seconded by Director Cruz, the Board voted unanimously to authorize the District's Attorney to transmit the request for the insurance certificates to the District's consultants.

### **Reschedule Board of Directors Meeting**

The Directors then considered rescheduling the 22 June 2022 Board meeting in view of the Annual Conference of the Association of Water Board Directors – Texas to

be held on 23 through 25 June 2022. After discussion, the Directors agreed to meet on Tuesday, 21 June 2022.

**Attorney's Report**

Mr. Yale stated that there were no additional items to be discussed under the Attorneys Report.

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

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Secretary, Board of Directors

SEAL

Harris County Municipal Utility District No. 11  
Meeting of 27 April 2022  
Attachments

1. Letter of Representations regarding the Annual Audit Report;
2. Engineer's Report;
3. Bookkeeper's Report;
4. Operator's Report;
5. Price Quote from NTS; and
6. Letter from St. John Neumann Catholic Church.