

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

1 June 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 1st day of June 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 A. 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 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; Drew Masterson of Masterson Advisors LLC ("Masterson"), the District's Financial Advisor; Dennis Wright of Water District Management Company, Inc., the District's Operator; Cole Konopka, Christopher Hsu, and David Green of Coats Rose, P.C., the District's Attorney; JoAnn Vasina, an interested party; and Leroy Rose, a resident of the District.

Director Vasina called the meeting to order.

### **Approval of Minutes**

The Board first considered approval of the minutes of the meeting of 4 May 2022. Mr. Konopka called the Board's attention the revisions made to the minutes of 4 May 2022 pursuant to the discussion at the Board's meeting on 25 May 2022. After discussion, upon a motion duly made seconded, the Board voted unanimously to approve the minutes of the meeting of 5 May 2022, as amended.

### **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 95.5% collected as of 31 May 2022. She asked for the Board's approval of four checks written on the District's

tax account and two wire transfers as follows: the transfer of \$3,023.05 in revenues from the District's tax for maintenance and operations to the General Fund and the transfer for \$10,000 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.

Preliminary Report of Appraised & Taxable Values. Ms. Goin reported that Leared had received the Preliminary Report of Appraised & Taxable Values for the District for the 2022 tax year as prepared by the Harris County Appraisal District (called "HCAD"). According to HCAD, she told the Board, the initial taxable value for the District for the 2022 tax year totals approximately \$274,720,921, which amount includes the personal property values for the 2021 tax year.

After discussion, upon a motion duly made and seconded, 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.

### **Agreement for Services of Tax Assessor and Collector**

Ms. Goin then submitted for the Board's approval the proposed Agreement for Services of Tax Assessor and Collector (the "TAC Agreement") between the District and Leared. Under the TAC Agreement, she explained to the Board, Leared would receive compensation from the District for the basic services outlined in Exhibit "A" to the TAC Agreement at a fee of \$1,605.96 per month for the 1,439 accounts as listed on the District's 2021 tax roll. Additional items (in excess of the 1,439 accounts) will be billed at \$1.00 per item per month, she told the Board. Additional services requiring approval by the Board or an authorized representative, she continued, would be billed at an hourly rate of \$120 for consulting and an hourly rate of \$65 for clerical services. She then noted that the services to be provided to the District by Leared under the TAC Agreement would include (1) basic computer services; (2) services relating to the Strategic Partnership Agreement between the District and the City of Houston; (3) services concerning Sections 26.17-26.18 of the Texas Tax Code; and (4) services concerning Section 2.051.202 of the Texas Government Code.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the TAC Agreement and to authorize Director Vasina to execute same. A copy of the TAC Agreement as approved by the Board is attached hereto as an exhibit to these minutes.

### **Depository Pledge Agreement / Allegiance Bank**

The Board next considered a Depository Pledge Agreement between the District and Allegiance Bank (the "Bank") for the District's Tax Accounts (collectively, the "Accounts"). Mr. Konopka explained to the Board that the purpose of the Depository Pledge Agreement is to ensure that the depository bank will pledge collateral to secure

any funds on deposit in the Accounts that exceed the \$250,000 limit for coverage by the Federal Deposit Insurance Corporation. The Directors expressed their desire to designate Bob Leared Interests, the District's Tax Assessor/Collector, as an authorized representative of the District empowered to direct the Bank with regard to collateral pledges, releases, and substitutions in the joint safekeeping account referenced in the Depository Pledge Agreement.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Depository Pledge Agreement. A copy of the Depository Pledge Agreement as approved by the Board is attached hereto and is made part of these minutes.

### **Proposed Future Sale of Bonds**

Next, the Board discussed matters relating to the possible future sale of bonds by the District. Mr. Masterson presented the Board with a revised No Growth Cash Flow Analysis dated 23 May 2022 (the "Analysis") as prepared by Masterson in connection with the proposed sale of bonds in the principal amount of \$6,260,000. A copy of the Analysis is attached hereto as an exhibit to these minutes. Mr. Masterson stated that the Analysis reflected the initial taxable value for the District for the 2022 tax year plus the personal property values for the 2021 tax year. According to the Analysis, he told the Board, the sale of bonds with a term of 25 years would require the District to levy a debt service tax rate of \$0.465 per \$100 valuation, assuming an interest rate of 5% on the bonds. The Directors agreed to discuss the possible future sale of bonds at the Board's meeting on 21 June 2022.

### **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 all work included in the base bid was now complete and that KSS was commencing work on the sanitary sewer lines that were previously surcharged.

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

Request for Service and Annexation / 1.94-acre tract on Aldine Western Road. Mr. Bordelon discussed with the Board the request from Late Model Investments, LLC (called "LMI") for service to and annexation of a 1.94-acre tract of land located at 1930 Aldine Western Road (the "LMI Tract"). He reported that the District's Engineer

had notified LMI of the requirement to place a deposit with the District to cover the cost for the preparation by A&S of the Feasibility Study in connection with the proposed service to the LMI Tract.

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. Mr. Bordelon stated 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 scheduled for maintenance by the end of this month. He stated that A&S would inspect the area after the maintenance is performed by the HCFCD. Mr. Bordelon then reported that the Maple Ridge Place Community Association, Inc. (the "Association") had not responded to the letter dated 24 March 2022 from A&S requesting that the Association address various deficiencies found in the Maple Ridge Place Detention Pond (the "Deficiencies") during the inspection conducted by A&S in February 2022. Matters relating to the Detention Pond were discussed later in the meeting during the presentation of the Attorney's Report.

Arsenic Remediation System at Water Plant No. 2 (the "Arsenic System"). Mr. Bordelon reported that A&S was awaiting a response from the Texas Commission on Environmental Quality regarding the data testing report for the pilot study on the Arsenic System that was submitted earlier this year.

Drainage Study / Area Adjacent to Veterans Memorial Drive. The Board discussed the status of the District's request for rehabilitation of the roadside drainage ditch along Veterans Memorial Drive (the "Ditch Rehabilitation"). Mr. Bordelon reported that a representative of County Commissioner Precinct 2 ("Precinct 2") had recently informed the District's Engineer that they were working out a schedule for the maintenance of all roadside drainage ditches within Precinct 2 that require rehabilitation. He stated that the District's request for the Ditch Rehabilitation has been added to the queue. Mr. Bordelon noted that the maintenance log for Precinct 2 was backed up and further complicated by the redistricting of the Harris County Commissioner Precincts in late 2021. Precinct 2 is expected to notify A&S when the Ditch Rehabilitation has been scheduled, he told the Board.

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. He 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. Mr. Bordelon reported that the CHCRWA's design engineer was updating the drawings to revise the width of the water

line easements for the Transmission Line from 30 feet to 20 feet as discussed at the Board's meeting on 4 May 2022

Water Line Easement along Veterans Memorial Drive. Mr. Bordelon discussed with the Board the research performed by A&S regarding the possible existence of a water line easement on the west side of Veterans Memorial Drive, north of T C Jester Boulevard. He stated that the District's Engineer was working with the District's Attorney and a title company to resolve the discrepancy in the legal description for the water line easement as discussed at the Board's meeting on 25 May 2022.

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. Mr. Bordelon reported that the District's Engineer was awaiting an update from Harris County Commissioner Precinct 1 in connection with the study to be prepared by the Harris County Traffic Study Department.

Potential Capital Improvement Projects at the District's Facilities. The Board discussed matters relating to the draft Table IV – Cost Summary that was presented at the Board's meeting on 23 March 2022. Mr. Bordelon stated that 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

Presentation of the Engineer's Report. Mr. Bordelon expressed his intent to present the full Engineer's Report at the meetings of the Board that are held on the fourth Wednesday of each month and provide only an update on certain ongoing matters, as needed, at the meetings of the Board that are held on the first Wednesday of each month. The Directors expressed their agreement with Mr. Bordelon's proposal.

Then, after review, upon a motion duly made and seconded, 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. Mr. Wright stated that the annual preventive maintenance on the fire hydrants in the District would be completed by the end of this month.

Emergency Preparedness / Hurricane Season. Mr. Wright reported that the District's Operator had completed the annual emergency preparedness in connection with hurricane season. He noted that this date marked the beginning of the 2022 hurricane season.

Water Service to Out-of-District Customers / Tax Exempt Entities. The Directors discussed matters relating to out-of-District service being provided to the St. John

Neumann Catholic Church (the "Church") and to the Houston National Cemetery pursuant to the District's amended Rate Order. Mr. Konopka stated that he had transmitted to the attorney for the Church the Board's proposal for the District to (1) bill the Church for water service at a rate that is equal to 1.5 times the rate charged to similar but taxable facilities within the District for the remaining months of calendar year 2022; and (2) defer until January 2023 billing the Church for water service at a rate that is equal to three times the rate charged to similar but taxable facilities within the District as established in the Rate Order. To date, he told the Board, the attorney for the Church had not responded.

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

### **Security Patrol Report**

Director Vasina reviewed with the Board the Security Patrol Report for the month of May 2022 as prepared by the Harris County Sheriff's Office. A copy of the Security Patrol Report is attached hereto as an exhibit to these minutes.

### **Attorney's Report**

Mr. Konopka presented the Attorney's Report.

Maple Ridge Place Detention Pond, continued. The Directors returned to their earlier discussion regarding the Deficiencies in the Detention Pond. Mr. Hsu reviewed with the Board an electronic mail message dated 1 June 2022 from Drew Weitzel of Holt & Young, P.C., attorney for the Association, in which Mr. Weitzel requested some clarification on certain items listed in the letter dated 20 May 2022 from the District to the Association regarding the Deficiencies to be addressed. A copy of the electronic mail message is attached hereto as an exhibit to these minutes. Mr. Bordelon discussed with the Board the actions that would need to be taken to remedy the Deficiencies (the "Pond Rehabilitation"). Mr. Hsu stated that Mr. Weitzel was interested in whether the District would be willing to undertake the Pond Rehabilitation and be reimbursed by the Association for the cost of the project. The Directors expressed no objection to the District undertaking the Pond Rehabilitation as described above. Mr. Bordelon stated that the District's Engineer would look into soliciting bids for the Pond Rehabilitation.

CHCRWA / Proposed Water Line Easement. Mr. Konopka reviewed with the Board an electronic mail message dated 1 June 2022 from Rick L. Barker of Schwartz, Page & Harding, L.L.P. ("SPH"), the attorney for the CHCRWA, regarding the water line easement being requested by the CHCRWA in connection with the construction of a portion of the CHCRWA's surface water line in the District. A copy of the electronic mail message is attached hereto as an exhibit to these minutes. Mr. Konopka stated that the draft Water Line Easement Agreement prepared by SPH includes a provision stating that the Grantor (the District) may grant to the District an easement and right-of-way for the construction and operation of an additional water line overlapping and along the

Easement Tract as long as: (1) no portion of such water line is located within the Easement Tract; and (2) if any portion of such water line is located within the Easement Tract, the Grantee (the CHCRWA) approves in writing the plans for such water line prior to its construction.

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 1 June 2022  
Attachments

1. Tax Assessor/Collector's Report;
2. Agreement for Services of Tax Assessor and Collector;
3. Depository Pledge Agreement / Allegiance Bank;
4. No Growth Cash Flow Analysis;
5. Engineer's Report;
6. Operator's Report;
7. Security Patrol Report;
8. Email from Drew Weitzel of Holt & Young, P.C.; and
9. Email from Rick L. Barker of Schwartz, Page & Harding, L.L.P.